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**BENEFIT PLANS
DEERE & COMPANY**

VOL II

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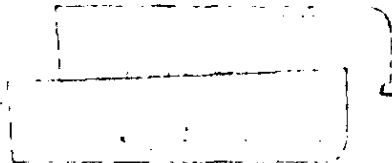
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2/9/04



and the

**INTERNATIONAL UNION
UNITED AUTOMOBILE
AEROSPACE and
AGRICULTURAL IMPLEMENT
WORKERS OF AMERICA**

and its

LOCALS
281, 450, 94, 885, 74, 79, 434, 838,

Effective 10/1/03 -
EXPIRES 1 OCTOBER 2009

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APPENDIX "1" - ARTICLE I

APPENDIX "1" BENEFIT PLANS DEERE & COMPANY

ARTICLE I PREAMBLE

During the term of this Collective Bargaining Agreement the Company agrees to carry out and the Union agrees to accept, subject to the specific provisions of this Appendix "1", amended Benefit Plan(s) hereinafter referred to as the Plan attached hereto and marked for identification as follows:

1. John Deere Pension Plan for Wage Employees - Appendix "A";
2. John Deere Health Benefit Plan for Wage Employees - Appendix "B";
3. John Deere Disability Benefit Plan for Wage Employees - Appendix "C";
4. John Deere Group Life and Disability Insurance Plan for Wage Employees - Appendix "I";
5. John Deere Profit Sharing Plan - Appendices "J" and "J-1"; and
6. John Deere Tax Deferred Savings Plan for Wage Employees - Appendices "L" and "L-1".

It is further agreed that in the event of any conflict between the provisions of the Plans identified above and the provisions of this Appendix "1," the provisions of this Appendix "1" will control.

ARTICLE II
JOINT COMPANY-UNION
CENTRAL PENSION BOARD

Section 1. Members

- A. A Joint Company-Union Central Pension Board hereinafter called the Central Board shall be established, consisting of six members, three from the International Union and three from Deere & Company.
- B. The Company and the Union shall appoint and remove its own members from the Central Board at will subject only to notification to the other party. The members appointed by either party may, by giving prior notice to the other party, have one Joint Company-Union Local Pension Board member attend any meeting. In such an event, the members appointed by the other party may also have one Local Board member present. Neither member of the Local Board shall be considered a member of the Central Board nor shall have a right to cast a vote.
- C. Each party shall be responsible for any compensation or expenses of its members or representatives.

Section 2. Authority and Jurisdiction

The Central Board shall have, but be limited to, the following authority and jurisdiction:

- A. To consider and make final determination of any issue in which there has been a tie vote by the members of a Joint Company-Union Local Pension Board.
- B. To review and make recommendations concerning forms and procedural operations of Local Boards. The provisions of this Section 2 shall not be within the jurisdiction of the Chairman and that person shall have no authority to vote upon such matters.

APPENDIX "1" - ARTICLE II

- C. To direct the Secretary of the Local Board to secure any additional information required for the review and disposition of cases presented to it.
- D. The Central Board shall have no authority to alter, change, detract from or add to any of the provisions of the John Deere Pension Plan for Wage Employees or this Appendix "1," and must interpret and apply the provisions of the John Deere Pension Plan for Wage Employees only insofar as such interpretation and application are necessary to make a determination of the individual case under consideration.
- E. The Central Board's determination of matters properly referred to it as herein provided shall be final and binding on both parties to this Collective Bargaining Agreement and the employees affected thereby.

Section 3. Chairman

- A. The members of the Central Board, by unanimous vote, shall appoint an impartial umpire who shall act as a member and Chairman of the Board in connection with those issues on which that person has been notified to attend, and who shall serve until such time as he or she may resign or dies or until he or she may be discharged by any three members of the Board. In the event the Chairman is discharged, the discharging members shall do so by notifying the Chairman and the other three members in writing, stating the reasons therefor.
- B. In the event that the members of the Board are unable to agree upon a Chairman, or a replacement of a Chairman, as provided above, the arbitrator provided for under the terms of the existing Collective Bargaining Agreement between the parties shall serve as Board Chairman.
- C. The fees and expenses of the Chairman shall be shared equally by both parties to this Agreement.

APPENDIX "1" – ARTICLE II

D. The Chairman of the Central Board shall function as follows:

- (1) In the event of a tie vote by the members, the Chairman shall attend meetings, be considered a member of the Board and have the right to cast the deciding vote, and then only in connection with issues within the authority and jurisdiction of the Board.
- (2) The Chairman shall have the same authority and jurisdiction as other members of the Board on issues properly to be considered by him, except that he or she shall also act as Chairman of the Board during its consideration of such issues.
- (3) The Chairman, before voting on such issues, shall give the members of the Board who so desire an opportunity to present their claims and views in such manner as they may elect.
- (4) The Chairman, in considering such issues, may determine the relevancy of any evidence presented.
- (5) The decision of the Chairman shall be reduced to writing, and the concurring and/or dissenting votes of the members shall be noted thereon. Any dissenting member may file an explanation of a minority vote with the Chairman's decision.
- (6) The Chairman's decision shall set out his or her vote, and shall also explain it by citing the provisions of the John Deere Pension Plan for Wage Employees, the facts, and reasoning on each issue involved.
- (7) The Chairman's decision, along with the explanations of minority votes, if any, shall on such issues constitute the decision of the Board, and a copy shall be furnished to each member of the Board.

APPENDIX "1" – ARTICLE II

Section 4. Procedures

- A. Two Company members and two Union members shall constitute a quorum of the Central Board and no business of the Board may be transacted without a quorum. The Central Board will convene upon the request of either party. At all meetings of the Board, the Company members shall have a total of three votes and the Union members shall have a total of three votes. The vote of any absent member shall be cast by the members present who were appointed by the same party that appointed the absent member.
- B. Decisions of the Central Board shall be by majority vote of the Board. The Chairman, as herein provided, shall serve as a member and cast the deciding vote in cases where there would otherwise be a tie vote.
- C. If there is a dispute between the members of the Board over whether or not any employee in the bargaining unit represented by the Union is or has remained totally and permanently disabled as defined by the John Deere Pension Plan for Wage Employees, the Chairman will not be involved. The members of the Board by mutual agreement will appoint a physician or an approved clinic or the staff of an approved hospital who will resolve the dispute. If the members of the Board are unable to agree on such appointment, the appointment will be made by the County Medical Association. The Union and Company will share equally any costs resulting from such appointments.
- D. The Central Board shall notify the Secretary of the Local Board of the final decision in any issue referred to it for consideration who shall in turn notify the members of the Local Board.

**ARTICLE III
JOINT COMPANY-UNION
LOCAL PENSION BOARD**

Section 1. Members

- A. A Joint Company-Union Local Pension Board, hereinafter called the Local Board, shall be established, consisting of six members, three of whom shall be appointed by the Company and three of whom shall be appointed by the Union from among the employees in the bargaining unit represented by the Union. The Company shall compensate each Union appointee for work time lost in any regular meeting of the Local Board, as herein provided, up to but not in excess of two hours per month, and, in the event of a special meeting requested by the Company members, the Company shall compensate each Union appointee for work time lost in such special meeting, as herein provided, up to but not in excess of two hours per month, in each case computed on the same basis as pay for steward grievance time. The parties shall complete the appointment of their respective members within thirty days from the date of signing the Collective Bargaining Agreement.
- B. Either party may at any time remove a member appointed by it and may appoint a new member to fill any vacancy among its appointed members. Each party shall notify the other party in writing of the members or replacements that they appoint before such member or replacement may serve on the Local Board and before such appointment shall become effective.
- C. The members appointed by either party may, by giving prior notice to the members appointed by the other party, have one advisor attend any meeting to advise them and to assist in presenting their views to the Local Board as hereinafter provided. In such an event, the members appointed by the other party may also have one advisor present in the same capacity. Neither advisor shall be considered a member of the Local Board nor shall have a right to cast a vote.

APPENDIX "1" – ARTICLE III

Section 2. Secretary

- A. Immediately upon the appointment of the Local Board members by the parties, the Company shall appoint a Secretary to the Board who shall serve until such time as *he or she may resign, or die, or until removed by a majority vote of the Local Board*. The Secretary shall attend all Local Board meetings, but shall not be a member of the Board and shall not have any right to vote at any Board meeting.
- B. *In the event of the removal of the Secretary by resignation, death, or written notice of removal by the Local Board, the Company shall appoint a new Secretary.*
- C. The duties of the Secretary shall include the following:
 - (1) To receive on behalf of the members of the Board, the information to be furnished to the Local Board by the Company as hereinafter provided.
 - (2) To receive on behalf of, and at the next regular meeting to distribute to the members of the Local Board, a copy of any notice by the Company to an employee of that employee's normal or postponed retirement date.
 - (3) To receive on behalf of the Local Board any written pension applications filed in triplicate (as set out in Exhibit P-4, Application for Pension, on forms furnished by the Company) concerning any member(s) of the bargaining unit represented by the Union for review at the next regular Board meeting. A copy of Exhibit P-4, Application for Pension, and a pension calculation estimate will be furnished to the Union members at least five working days in advance of the regular Board meeting.
 - (4) To receive and present to the Local Board at the next regular meeting, employee requests for review (as set out in Exhibit P-2 on forms furnished by the Company) which are appealed to the Board.

APPENDIX "1" - ARTICLE III

- (5) To secure additional information requested by the Local Board or the Central Board for the review and disposition of cases presented to it.
- (6) To notify employees and to authorize the Trustee to make pension payments in the detailed amounts as directed by the Local Board or the Central Board. Such notice and authorization will be in the amounts as set forth on "P" Exhibits.
- (7) To take the official minutes and keep all official Local Board records, such minutes being subject to approval by the members of the Local Board, sufficient copies of which will be furnished to the members of the Local Board. "Sufficient" shall mean six copies for the three members appointed by each party.
- (8) To notify the Local Board members prior to any monthly meeting date, when there is business to be considered by the Local Board. Written notice of meetings, including copies of all "P" Exhibits to be acted upon, will be furnished to Local Board members at least five working days in advance of the regular Board meeting.
- (9) To furnish to the Union members one copy of all "P" Exhibits signed by Local Board members.
- (10) To notify the Central Board, at the direction of the Local Board, of any tie vote.
- (11) To perform such other incidental duties as the Local Board or Central Board, within its powers, directs.

Section 3. Authority and Jurisdiction

- A. The Local Board, in connection with employees in the bargaining unit represented by the Union, shall have, but be limited to, the following authority and jurisdiction:

APPENDIX "1" – ARTICLE III

- (1) To consider any dispute involving the correctness of any determination of service credit, as hereinafter provided which is challenged within the prescribed time limits.
 - (2) To consider employee pension applications and employee requests for review as to (1) the employee's amount of service credit, (2) age, (3) the average annual earnings for the purpose of computing the amount of monthly pension payable, (4) the amount of monthly pension benefit, if any, payable, and (5) disapprove or approve for payment or make the corrections necessary for such approval of payment. Disapproval by the Board of pension applications shall be recorded on the form as set out in Exhibit P-5 "Notice of Rejection of Application for Pension," and a copy shall be transmitted to the employee by the Secretary of the Board.
 - (3) To consider notice of employee terminations under Article III, Section 5, of the John Deere Pension Plan for Wage Employees and to determine and notify such employees of their vested rights under Article III, Section 5, of the John Deere Pension Plan for Wage Employees on the form as set out in Exhibit P-3.
 - (4) To direct the Secretary to secure any additional information required for the review and disposition of cases presented to it.
 - (5) To direct the Secretary to forward the authorization to make pension payments in the detailed amounts as directed by the Local or Central Boards to the Trustee and to forward to the employee the "Notice of Retirement." Such transmittal shall be made by the Secretary on the form as set out in Exhibit P-6.
- B. The Local Board shall have no authority to alter, change, detract from or add to any of the provisions of the John Deere Pension Plan for Wage Employees or this

APPENDIX "1" – ARTICLE III

Appendix "1" and must interpret and apply the provisions of the John Deere Pension Plan for Wage Employees only insofar as such interpretation and application are necessary to make a determination of the individual case under consideration.

- C. The Local Board's determination of matters properly referred to it as herein provided shall be final and binding on both parties to this Collective Bargaining Agreement and the employees affected thereby.

Section 4. Procedure

- A. Two Company members and two Union members shall constitute a quorum of the Local Board, and no business of the Local Board may be transacted without a quorum. At all meetings of the Local Board, the Company members shall have a total of three votes and the Union members shall have a total of three votes. The vote of any absent member shall be cast by the members present who were appointed by the same party that appointed the absent member.
- B. Decisions of the Local Board shall be by a majority vote of the Local Board.
- C. In the event of a tie vote by the members, the Local Board shall direct the Secretary, as hereinafter provided, to notify the Central Board of the tie vote and to request its consideration of the issue. However, if it is impossible for the tie vote to be resolved before the pensioner's payment(s) becomes due, the applicant will be paid or not paid as originally determined (in the case of an employee request for review); and in other cases, after disposition of such cases by the Central Board and effective as of the date of retirement as determined by the Central Board.
- D. The Local Board shall meet once each month at a time to be agreed upon by the members of the Board in an office to be furnished by the Company, unless there is no business for the Board to consider.

APPENDIX "1" – ARTICLE III

- E. Although there is no official business to be considered, a *regular monthly meeting of the Board* can still be held, or a special meeting of the Board may be called by unanimous vote of the members.

Section 5. Request for Review

- A. Employee requests for review over eligibility may be referred to the Local Board as follows:

Such requests for review over the eligibility of an employee to receive a pension, or over the amount of such pension, must be referred in writing and signed by the employee affected. It must be referred to the Secretary of the Local Board at the office of the Company within thirty days from notice to the employee by the Secretary of the Local Board as to the employee's retirement, or within thirty days from the Secretary's notice of the Local or Central Board's decision on any application for pension. Such requests for review must be filed with the Secretary on Exhibit P-2 furnished by the Company.

- B. Employee requests for review over total and permanent disability may be referred to the Local Board as follows:

Such requests for review may be filed by any employee over whether he or she is totally and permanently disabled as defined by the John Deere Pension Plan for Wage Employees and as determined by the Local Board. Such requests for review must be in writing, signed by the employee, and filed with the Secretary of the Local Board within thirty days from the date of the Company's written notice on the matter to the employee, on Exhibit P-2 furnished by the Company.

- C. Employee requests for review of service credit may be referred to the Local Board as follows:

- (1) Any employee who, upon receiving from the Company a notice, "Statement of Service Credit Not Earned," on Exhibit P-1 and as provided for in

APPENDIX "1" - ARTICLE III

Article II of the John Deere Pension Plan for Wage Employees may within thirty days from receipt of such notice file with the Secretary of the Local Board a Request for Review of such statement on Exhibit P-2 furnished by the Company.

- (2) Any employee who, upon receiving from the Company a, "Notice of Denial of Reestablishment of Service Credit," on Exhibit P-1 and as provided for in Article II of the John Deere Pension Plan for Wage Employees may within thirty days from receipt of such notice file with the Secretary of the Local Board a Request for Review of such statement on Exhibit P-2 furnished by the Company.

- D. Questions concerning pensions, including any requests for review, shall be handled only as outlined in this Appendix "1" in place of the review procedure provided in the John Deere Pension Plan for Wage Employees, Appendix "A," Article I, Section 13-B and shall not be filed or handled as grievances or be subject to arbitration under the terms of the Collective Bargaining Agreement between the parties, and no arbitrator shall have authority to undertake consideration of any such questions or requests.
- E. In the event the seniority and employment of any employee is broken under the terms of the Collective Bargaining Agreement; and if there is any complaint on the part of the employee, the issue, including any question of the employee's inability to perform efficiently work for the Company, will be determined through the Grievance Procedure (including arbitration) as provided for in the Collective Bargaining Agreement. However, the employee being so removed may be eligible for benefits under the John Deere Pension Plan for Wage Employees; and any questions within the jurisdiction of the Local Board shall be determined by the Local Board.

Section 6. Reports to the Board

- A. The Company will furnish to the Secretary for transmittal to the Local Board the following information with respect to the operation of the John Deere Pension Plan for Wage Employees:
- (1) A monthly statement showing the name, age and amount of service credit of employees in the bargaining unit represented by the Union, if any, who have filed pension applications with the Secretary since the last meeting of the Local Board.
 - (2) The annual report to the Federal Department of the Treasury, Department of Labor and Pension Benefit Guaranty Corporation (currently Form 5500) for the John Deere Pension Plan for Wage Employees, including:
 - a. All attached schedules except Schedule SSA.
 - b. Separate financial statements for the plan, together with notes to the separate financial statements and the report of the independent qualified public accountant.
 - c. The complete annual report of the actuarial valuation of the plan prepared by the enrolled actuary for the plan.
 - (3) An annual report from the Administrator showing the names of retired employees of the bargaining unit and the total of the disbursements to each during the year.
 - (4) Such information as to the age, sex, earnings, and service of employees covered by the John Deere Pension Plan for Wage Employees, and amount of pensions and supplemental allowances by age groups as the Board may reasonably require, but in

APPENDIX "1" - ARTICLE III

no event shall the Company be required to furnish the Board with any data not furnished by the Company to the actuary.

- B. The Company will provide the Local Board with such clerical assistance and office supplies as the Local Board Secretary may require in the performance of his or her duties.

**ARTICLE IV
WAIVER**

- A. During the term of this Collective Bargaining Agreement, the Company shall not exercise its option under (1) Article I, Sections 7-D and 7-E, of the John Deere Pension Plan for Wage Employees, (2) Section 8 of Article I of the Health Benefit Plan for Wage Employees, (3) Section 8 of Article I of the Disability Benefit Plan for Wage Employees, or (4) Section 5 of Article I of the John Deere Group Life and Disability Insurance Plan for Wage Employees, and neither party shall have the right to request changes in or additions to these Plans.
- B. The Board of Directors of Deere & Company and the Pension Plan Investment Committee waive the right, as provided in Article I, Section 7-C-(1), of the John Deere Pension Plan for Wage Employees, to allocate or designate fiduciary responsibility to the Joint Company-Union Central Pension Board or the Joint Company-Union Local Pension Board, without the express agreement of the Union.
- C. During the term of this Collective Bargaining Agreement, the phrase "or plant rules" as used in Appendix "B," Article I, Section 5-C-(1), and Appendix "I," Article II, Section 7-H shall not be applicable.
- D. During the term of this Collective Bargaining Agreement, the Company shall not exercise its option, in respect to employees covered by this Collective Bargaining Agreement, under Article I, Section 12 of the Health Benefit Plan for Wage Employees without mutual agreement between the Company and the International Union.

ARTICLE V UNION OFFICIALS

Section 1. Service Credit

In the event that any regular full-time International Union Representative on leave from the Company or any member of the Local Union Executive Board, Shop Committee, contract negotiating committee, Union time study representatives, or Union safety representative have not had 500 hours worked in any anniversary year, after 1949, as provided for in Article II of the John Deere Pension Plan for Wage Employees, then any leave from active employment for such International Union business or for Local Union business, under the provisions of Article VI, Section 2, "Leaves of Absence" of the Collective Bargaining Agreement between the parties shall be treated as time worked for purposes of qualifying for a year of service credit for such year.

Section 2. Pension Benefits

- A. The Local Union representatives listed above who lose time during regular scheduled work hours (not to exceed eight hours in any scheduled workday or forty hours in one scheduled workweek) for conducting Union business and for which they are not paid by the Company, but are paid by the Union, will, only for the purpose of computing pension benefits, have their earnings bracket determined on the basis of their average straight-time hourly earnings. The procedure for administering this provision will be determined by the Company.
- B. Any regular full-time International Union Representative on leave from the Company, who retires on or after 1 October 1997, and who has accrued service credit as provided in Article V, Section 1 above, shall at retirement have his or her earnings bracket determined on the basis of their average straight time hourly earnings as determined on the effective date of such leave, as defined in Appendix A, Article III, Section 1-C, adjusted on the

APPENDIX "1" – ARTICLE V

effective date of each applicable cost-of-living allowance(s) and general wage increase(s), if any, which become effective immediately after commencement of such leave and prior to the date of retirement.

Section 3. Life Insurance

A Local Union representative listed above who is absent from work for Local Union business as set out in Article VI, Section 2, "Leaves of Absence" of the Collective Bargaining Agreement between the parties may request that such absence be treated as time worked for the purpose of determining "1-year's earnings" under Section 2-A and B of Article II of the John Deere Group Life and Disability Insurance Plan for Wage Employees subject to the following:

- A. Such request must be made to the Company during the month of January for absence during the preceding calendar year.
- B. "Earnings" for such time and for such purpose will be determined on the basis of:
 - (1) Dividing the sum of straight-time wage payments for time worked during the preceding calendar year in which the employee worked by the number of hours worked.
 - (2) Multiplying the results of (1) above by the number of hours of absence as above defined.
- C. The "earnings" as determined under (2) above shall constitute "additional life insurance" applicable to the preceding calendar year.

ARTICLE VI RETIREE UNION DUES

Section 1. Authorization of Union Dues

- A. Notwithstanding any other provisions of this Appendix or any provisions of the John Deere Pension Plan for Wage Employees, however, while there are in effect agreements between the Company and the Union (1) maintaining the John Deere Pension Plan for Wage Employees; and (2) providing for this authorization, a retired employee may authorize the Trustee of the John Deere Pension Trust, by an Authorization for Check-Off of Dues form agreed to by the Company and the Union, to deduct monthly Union dues from the monthly pension and Supplemental Allowance payable to him or her and to remit such dues to the Union.
- B. The authorization shall be in the form as set forth on the following page and shall be effective only with respect to the months subsequent to the months in which the Company receives such authorization form from the Union and shall be deemed suspended and not in effect with respect to any pension and Supplemental Allowance payable at a time when this Collective Bargaining Agreement is not in effect and shall cease to be effective at the end of the month in which the Company receives notification from the Union or the retired employee of the revocation of such authorization.

Section 2. Indemnification

The Union shall indemnify and hold harmless the Company and the Trustee under the John Deere Pension Plan for Wage Employees against any and all liability and expenses, including reasonable attorney's fees that may arise by reason of the compliance with the terms of this Article.

AUTHORIZATION FOR CHECK-OFF OF DUES

Date _____

TO: Plan Administrator John Deere Pension Plan
for Wage Employees

I hereby assign to the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, (UAW) hereinafter referred to as the Union, from any monthly pension payable to me as a retired worker under the John Deere Pension Plan for Wage Employees, the sum of \$2.00 or such amounts of monthly membership dues as may be established in accordance with the Constitution of the International Union, UAW. I authorize and direct you to deduct such amount from my monthly pension and to remit same to the Union as directed by the Joint Company-Union Pension Board.

This assignment, authorization and direction shall remain in full force and effect until revoked by my written notice given to the Company, except that during any period when there is not in effect a written Agreement between the Company and the Union maintaining the John Deere Pension Plan for Wage Employees which permits or provides for the deduction of Union dues from monthly pensions payable to a retired employee, such assignment, authorization and direction, if otherwise in effect, shall automatically be suspended for the duration of such period only.

APPENDIX "1" - ARTICLE VI

Signature of Retired Employee

Print Name of Retired Employee Here

Address of Retired Employee

City

State

Zip Code

Social Security Number

Date of Signature

Date Received by the Company

Joint Board Secretary

ARTICLE VII
APPEAL BOARD PROCEDURE
APPLICABLE TO APPENDICES "B," "C," "E,"
"I," "J," "J-1," "L" AND "L-1"

Section 1. Purpose

- A. An Appeal Board shall be established for the purpose of resolving disputes concerning the interpretation of the provisions of the Health Benefit Plan as set forth in Appendix "B," the Disability Benefit Plan as set forth in Appendix "C," the Legal Services Plan as set forth in Appendix "E", the Group Life and Disability Insurance Plan as set forth in Appendix "I," the Profit Sharing Plan as set forth in Appendices "J" and "J-1" and the John Deere Tax Deferred Savings Plan as set forth in Appendices "L" and "L-1."
- B. It is not the intent that this Appeal Board procedure shall in any way change or deal with the question of the procedure for handling individual employee insurance claims. It is, however, the intent of this procedure to establish a means of determining questions or disagreements and to resolve disputes over the proper interpretation of the provisions of the Health Benefit Plan as set out in Appendix "B," the Disability Benefit Plan as set forth in Appendix "C," the Legal Services Plan as set forth in Appendix "E," the Group Life and Disability Insurance Plan as set forth in Appendix "I," the Profit Sharing Plan as set forth in Appendices "J" and "J-1" and the John Deere Tax Deferred Savings Plan as set forth in Appendices "L" and "L-1."

Section 2. Procedure

- A. Any dispute concerning the interpretation of the language in the aforementioned Health Benefit Plan, Group Life and Disability Insurance Plan, Legal Services Plan, Disability Benefit Plan, Profit Sharing Plan or the John Deere Tax Deferred Savings Plan which cannot be resolved at the

APPENDIX "1" – ARTICLE VII

factory level may be referred, by notice in writing from the International Union to the Industrial Relations Department of Deere & Company, to an Appeal Board. The referral must be not later than thirty (30) days after the Manager of Industrial Relations/Human Resources has given the factory's final position. The Manager of Industrial Relations/Human Resources will give the factory's final position within thirty (30) calendar days after the Local Union has submitted the dispute in writing. This procedure shall be in place of the review procedure provided in the Health Benefit Plan, Appendix "B," Article 1, Section 11-B, the Disability Benefit Plan, Appendix "C," Article 1, Section 11-B, the complaint procedure of the Legal Services Plan, Appendix "E," Article 1, Section 9, the Group Life and Disability Insurance Plan, Appendix "I," Article 1, Section 8-B, the General Provisions of the Profit Sharing Plan, Appendix "J," Section 6, Step 2-B and the John Deere Tax Deferred Savings Plan, Appendix "L," Section 5, Step 2-B.

- B. The Appeal Board shall consist of six (6) members, two (2) each from the International Union and from Deere & Company, and one (1) each from the respective factory and Local Union. The Company and the Union shall appoint and remove its own members from the Appeal Board at will subject only to notification to the other party.
- C. If the Appeal Board is unable to resolve the dispute by majority vote of its members, then the Board shall adjourn pending the appointment of a seventh member, who at a subsequent meeting of the Board shall hear the positions of the Company and Union members and thereafter cast the deciding vote. This seventh member shall in all cases, absent agreement to the contrary, be the permanent arbitrator designated under the Labor Agreement between the parties.
- D. All rules and procedures concerning the calling of meetings of the Appeal Board, the proceedings before the Appeal Board and the conduct of the Appeal Board when it sits with its seventh member shall be determined by the Appeal Board.

APPENDIX "1" – ARTICLE VII

- E. The seventh member of the Board, when his presence and participation are necessary, shall act as Chairman of the Board; and in considering the issue involved and in casting his vote shall be bound by the specific provision or provisions of the Health Benefit Plan, Group Life and Disability Insurance Plan, Disability Benefit Plan, Legal Services Plan, Profit Sharing Plan or the John Deere Tax Deferred Savings Plan as identified above; and he shall have no power to add to, subtract from or modify the language thereof, but shall be bound thereby. All decisions of any Appeal Board concerning interpretation of the language of any provision of the Health Benefit Plan, Group Life and Disability Insurance Plan, Disability Benefit Plan, Legal Services Plan, Profit Sharing Plan or the John Deere Tax Deferred Savings Plan shall thereafter govern the interpretation of the language of the Health Benefit Plan, Group Life and Disability Insurance Plan, Disability Benefit Plan, Legal Services Plan, Profit Sharing Plan and the John Deere Tax Deferred Savings Plan.

APPENDIX "A"
JOHN DEERE PENSION PLAN FOR
WAGE EMPLOYEES

ARTICLE I
ESTABLISHMENT OF PLAN

Section 1. Purpose

The purpose of this Plan, which is to be known as the John Deere Pension Plan for Wage Employees, hereinafter referred to as the Plan, is to promote the mutual interest of Deere & Company and the wage employees on the U.S. payrolls of the Company and its various U.S. subsidiaries and affiliates, hereinafter designated as the Company.

Section 2. Effective Date(s)

The effective date or dates of this Plan may be any date or series of dates on or after 14 August 1950, as determined at one time or from time to time by the Company. This Plan is restated effective 1 October 2003.

Section 3. Cost of Benefits

The cost of providing benefits under this Plan will be borne by the Company and no contribution to the Plan will be made by any employee.

Section 3.5 Expenses

All reasonable expenses of administering the Plan, including but not limited to reasonable administration expenses and compensation of the Trustee, the Plan Administrator (including any allocable portion of salaries of the Plan Administrator's employees), the Plan's actuary, attorneys, auditors, investment advisors, investment managers, and other consultants shall be charged to the Trust Fund established in Section 4 of Article I and such expenses may be reimbursed

APPENDIX "A" – ARTICLE I

to the Company with the approval of the Pension Plan Investment Committee, unless the amount of such compensation and expenses shall be borne by the Company and/or participating Subsidiaries.

Section 4. The Trust Fund and the Trustee

- A. One or more Trustees shall be designated by the Pension Plan Investment Committee appointed by the Board of Directors of Deere & Company and a Trust Agreement executed between the Company and each such Trustee, under the terms of which a Trust Fund will be established to receive, hold, invest, and reinvest contributions made by the Company, interest and other income, and to pay the retirement benefits provided in Article III, Article IV, Article V, and Article VI of this Plan.
- B. The Pension Plan Investment Committee will determine the form and terms of any such Trust Agreement, may remove any Trustee or select any successor Trustee and may modify, amend or alter any such Trust Agreement at any time. No part of the corpus or income of the Trust shall ever revert to the Company or be used for or diverted to purposes other than for the exclusive benefit of the employees, retired employees and their beneficiaries and payment of reasonable expenses of administering the Plan, except as specifically provided in any Trust Agreement.

Section 5. Payments to the Trust Fund

During the effective period of the Plan, the Company agrees to contribute for the benefits under this Plan such amounts as are determined necessary by an actuary or a firm of actuaries chosen by the Company to satisfy the Minimum Funding Standard under the applicable provisions of the Internal Revenue Code (the "Code").

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Section 5.5 Adjustment for Mistaken or Nondeductible Contributions

Any contribution by the Company to the Trust Fund is conditioned upon the deductibility of the contribution under the Code for the corporate tax year for which the contribution is made.

In the event the Company shall make an excessive contribution to the Trust Fund under a mistake of fact, as that term is used in Section 403 (c) (2) (A) of the Employee Retirement Income Security Act of 1974 ("ERISA"), or to the extent the deduction for the contribution is disallowed for any reason, the Company may within one (1) year following the time of payment or a determination of disallowance of the deduction, whichever is later, demand repayment of such mistaken or nondeductible contribution and the Trustee shall return such amount to the Company within the one (1) year period. Earnings of the Plan attributable to the mistaken or nondeductible contribution may not be returned to the Company, but any losses attributable thereto must reduce the amount so returned to the Company.

Section 6. Federal Tax Laws

The Company's obligation to continue this Plan is contingent upon the deductibility of all contributions made under the Plan in computing net income for Federal tax purposes and qualification of the Trust for tax exemption under the Federal tax laws.

Section 7. Administration, Fiduciary Responsibilities, and Termination

A. Plan Administrator

The Plan Administrator shall be designated by the Pension Plan Investment Committee and shall administer this Plan, except as otherwise specifically provided.

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B. Named Fiduciary

The named fiduciary shall mean the following:

- (1) The Pension Plan Investment Committee**
- (2) Any Trustee acting as a Trustee with respect to assets of the Plan.**

C. Fiduciary Authority and Responsibility

- (1) The Pension Plan Investment Committee may allocate fiduciary responsibilities (other than trustee responsibilities) among named fiduciaries and may designate persons other than named fiduciaries to carry out fiduciary responsibilities (other than trustee responsibilities) under the Plan. A named fiduciary or a fiduciary designated by a named fiduciary may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the Plan. Such allocations, designations and employment may be revoked, modified or terminated at any time. Any person or group of persons may serve the Plan in more than one fiduciary capacity.**
- (2) Except as otherwise provided by ERISA no fiduciary shall be liable for the directions, actions or omissions of any individual, corporation or other entity who has been designated to carry out any responsibilities, obligations or duties in connection with the Plan, and every fiduciary shall be fully protected in any action taken or suffered by such fiduciary in good faith in reliance upon the advice or opinion of any such individual, corporation or other entity.**
- (3) The Pension Plan Investment Committee shall have the responsibility of controlling and managing the assets of the Plan. The members of the Committee shall be designated by the Board of Directors of Deere & Company.**

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The Committee shall have the following powers and duties:

- a. The Committee shall at least once each quarter review the investment performance and financial condition of the Plan.**
- b. The Committee shall each quarter report to the Board of Directors of Deere & Company on the investment performance and financial condition of the Plan.**
- c. The Committee shall appoint and remove any trustee or investment manager as that term is defined in ERISA. The Company or a subsidiary of the Company may be appointed as an investment manager.**
- d. At least once each year the Committee shall establish a funding policy for the Plan. Such policy shall be established after consultation with the actuary for the Plan and shall be designed to satisfy the requirements of ERISA and the Internal Revenue Code.**
- e. The Committee shall determine the amount of the Company's annual contribution to be placed under the custody of each of the Trustees (if more than one Trustee is appointed), shall have authority to transfer assets of the Plan among the Trustees and shall have authority to direct the Trustee or Trustees as to the amounts to be invested in fixed income investments and to be invested in other securities or investments and to direct any Trustee with respect to specific investments.**
- f. The Committee may designate one or more investment managers for such assets of the Plan held by Trustees as they deem appropriate, determine the amount of the Company's annual**

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contribution to be placed under the management of any investment manager, determine the investment objective for any investment manager, add or remove investment managers, and increase or reduce the assets of the Plan being managed by any investment manager.

- g. The Committee shall have such other powers as are necessary to carry out its responsibility except as limited by any Trust Agreement.

D. Amendment or Modification

Except as otherwise specifically provided, the Board of Directors of Deere & Company, or, to the extent so authorized by resolution of the Board of Directors, the Deere & Company Compensation Committee, may at any time amend, or modify the Plan. The procedure for amendment or modification of the Plan by either the Board of Directors or the Deere & Company Compensation Committee, as the case may be, shall consist of: the lawful adoption of a written amendment or modification to the Plan by majority vote at a validly held meeting or by unanimous written consent, followed by the filing of such duly adopted amendment or modification by the Secretary with the official records of the Company. However, no amendment or modification shall cause any part of the corpus or income of the Trust to be used for, or diverted to, purposes other than for the exclusive benefit of employees and retired employees of the Company or their beneficiaries.

E. Suspension or Termination

Except as otherwise specifically provided, the Board of Directors of Deere & Company may at any time suspend or terminate the Plan.

F. Interpretations, Adjustments and Mistaken Payments

To the extent permitted by law, an interpretation of the Plan and/or a decision on any matter within the Administrator's discretion made in good faith is binding on all participants, beneficiaries and persons. A misstatement or mistake of fact, or mistaken payment, or excess payment shall automatically be corrected, as soon as is practicable after it becomes known. The Administrator shall make such adjustment on account thereof as is considered equitable and practicable, including the recoupment of any mistaken payment made from the Fund from any and all future benefit payments made to a participant or beneficiary under the provisions of this Plan notwithstanding Section 10 of this Article or any other provision of this Plan to the contrary.

Section 8. Service Credit

All service credit will be determined in accordance with the Company's Service Credit Plan as set forth in Article II.

Section 9. Vesting

No employee shall acquire a vested interest (except as provided by Section 5 of Article III) under the pension provisions of this Plan until retirement or eligibility therefor, and in either case, such interest shall be only as defined under such provisions as hereinafter provided.

Section 10. Nonencumbrance of Benefits

A. With the exception of any payment described in Article I Section 7 Paragraph F, no employee, retired employee, or other beneficiary hereunder shall have any right to assign, alienate, pledge, hypothecate, anticipate, or in any way create a lien upon any part of a pension benefit or distribution due such employee, retired employee or beneficiary, or upon any part of the Fund, nor shall the interest of any beneficiary or any distributions due or accruing to such beneficiary be liable in any way for the

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debts, defaults or obligations of such beneficiary, whether such obligations arise out of contract or tort, except as provided hereunder in Paragraph B below.

B. Notwithstanding, the foregoing or any other provision of the Plan to the contrary:

- (1) Any employee's or retired employee's pension benefit, which is subject to a "Qualified Domestic Relations Order" as that term is defined and applied under Section 414 of the Internal Revenue Code, (as now in effect or hereafter amended) shall be subject to the procedures and determinations as set forth in Article VII, Section 1 of this Plan.**
- (2) Any beneficiary entitled to receive pension benefits pursuant to any provision of the Plan may assign such pension benefit payment to a financial institution for the purpose of depositing such amounts in his or her account in such financial institution provided that such assignment is pursuant to and in accordance with a current applicable agreement between such beneficiary and the financial institution and is filed with the Company; for purposes of this paragraph, the term financial institution shall be limited to any such institution that is a member or correspondent institution of the Automated Clearing House of the Federal Reserve Banking System.**
- (3) Any retired employee entitled to receive a pension benefit pursuant to any provision of the Plan may assign a portion of any such benefit not to exceed ten percent by itself, or in conjunction with the assignment for union dues set forth in Paragraph 4 immediately below, otherwise payable to him or her, for the purpose of payment of taxes required pursuant to the Federal Insurance Contribution Act which are due or may become due in respect to income resulting from continuation of life insurance under the John Deere Group Life and Disability Insurance Plan.**

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- (4) A retired employee may assign a portion of any monthly pension benefit not to exceed ten percent by itself, or in conjunction with the assignment for the payment of FICA taxes set forth in Paragraph 3 immediately above otherwise payable to him or her to a collective bargaining agent for the purpose of paying union dues which such retired employee shall have elected to pay, provided such assignment is contemplated by and in accordance with a currently effective collective bargaining agreement between the Company and such collective bargaining agent.

Section 11. Application

- A. Except as otherwise specifically provided, in order for any employee to receive pension benefits pursuant to any provisions of the Plan, he or she must file a written pension application on forms furnished by the Company with the Plan Administrator. Such pension application shall state the reason for retirement and the date upon which the proposed retirement is to become effective. The application must be received by Retirement Services at Deere Direct, or such other Company designated point of receipt, in accordance with the timeframes outlined in the table below. The first monthly pension benefit payment will commence in accordance with the table.
- B. This notice requirement is waived for individuals retiring on or before 31 December 2003 or in the case of Disability Retirement. In the event an employee who is retirement eligible is subject to disciplinary action that may result in termination, such employee will be allowed to retire and will be deemed to have provided notice as required hereunder.

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Application Received (On or Before)	Pension Benefit Commencement Date
1 November	1 January
1 December	1 February
1 January	1 March
1 February	1 April
1 March	1 May
1 April	1 June
1 May	1 July
1 June	1 August
1 July	1 September
1 August	1 October
1 September	1 November
1 October	1 December

Section 12. Limitations of Benefits

A. Notwithstanding any other provision of the Plan, the annual benefit with respect to any employee eligible for benefits hereunder shall not at any time exceed the lesser of:

- (1) \$160,000 or
- (2) 100 percent of the employee's average annual compensation for the three consecutive calendar years during which he or she had the greatest aggregate compensation from the Company.

As of 1 January of each calendar year, the dollar limitation in A(1) shall be adjusted for increases in the cost-of-living as determined by the Commissioner of Internal Revenue pursuant to Section 415(d) of the Code. Such adjusted amount shall apply for the calendar year beginning on that 1 January and, for purpose of applying Section 415 of the Code to the Plan, the calendar year shall be the Plan's "Limitation Year."

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- B. If an employee has fewer than 10 years of service credit at the time he or she begins to receive benefits under the Plan, the foregoing limitations shall be reduced by multiplying the otherwise applicable limitations by a fraction, the numerator of which is the number of years of service credit and the denominator of which is 10.
- C. In respect to benefits with an annuity starting date on or after 1 January 2002:
- (1) If payment of a benefit begins before the employee attains age 62, the dollar figure in A(1) above (as adjusted under A) will be reduced as required by Section 415(b) of the Code and the regulations thereunder.
 - (2) If payment of a benefit begins after the employee attains age 65, the determination as to whether the maximum dollar limitation provided in Paragraph A has been satisfied shall be made by adjusting the benefit so that it is equivalent to a benefit beginning at age 65.
 - (3) For purpose of adjusting any benefit under this Paragraph C, the interest rate assumption shall be 5 percent except that for adjusting any form of benefit subject to Code Section 417(e)(3), the interest rate assumption shall in no event be less than the interest rate shown in Article 1, Section 14 of this Plan. The Mortality Table shall be that set out in Revenue Ruling 2001-62.
- D. For purpose of this Section:
- (1) An employee's annual benefit at any time shall be equal to the annual benefit (payable in the form of a straight life annuity or, if applicable, in the form of a qualified joint and survivor annuity) to which he or she would be entitled under the Plan on the assumptions that he or she continued employment

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until his or her normal retirement age, that his or her compensation continues at the same rate as in effect at that time until attainment of normal retirement age and that all other relevant factors used to determine benefits under the Plan remain constant.

- (2) All defined benefit plans of the Company (whether or not terminated) are to be treated as one defined plan, and all defined contribution plans of the Company (whether or not terminated) are to be treated as one defined contribution plan.
- (3) "Compensation" means an eligible employee's wages, salaries, and other amounts received for personal services rendered in the course of employment with the Company (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, tips, and bonuses) and shall include all compensation actually paid or made available to an eligible employee for an entire calendar year. Compensation also includes any elective deferrals to any plan maintained by the Company that are excluded from the employee's income by reason of Code Sections 402(g), 125 or 132(f) and shall not include any other items or amounts paid to or for the benefit of an eligible employee.
- (4) The changes made to this Section 12 shall only apply to an employee who has an hour of service credit on or after 1 January 2002.

Section 13. Denial of Benefits

- A. When benefits provided by this Plan are denied in full or in part, the employee or eligible beneficiary shall receive a written notice of the reason or reasons for such denial.

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- B. Except as otherwise specifically provided, a request for review of the denial of benefits may be submitted within 60 days of such denial, in writing, to the Plan Administrator. The Plan Administrator will reply to such request within 60 days.

Section 14. Actuarial Equivalence

"Actuarial equivalence" means a benefit having the same value as the benefit which it replaces. Except to the extent otherwise specified in the Plan, effective for distributions with an annuity starting date on or after 1 January 2002, actuarial equivalence will be based upon an interest rate assumption equal to the average yield in September of the preceding plan year on 30-year Treasury Constant Maturities (as published in October by the Internal Revenue Service) or any successor rate thereto, as designated by the Secretary of the Treasury and the mortality table shall be based upon a fixed blend of 50% male mortality rates and 50% female mortality rates from the Group Annuity Reserving Table ("GAR"), as set forth in Revenue Ruling 2001-62. The previous statement shall govern the method of determining the present value of a lump-sum distribution on Plan termination.

ARTICLE II
PLAN FOR COMPUTING AND MAINTAINING
EMPLOYEES' SERVICE CREDIT

Section 1. Company Defined

Only for the purpose of determining continuous employment and service credit hereunder, the word "Company" as used herein shall include Deere & Company and its domestic and foreign subsidiaries and subsidiaries thereof.

Section 2. Starting Date

The starting date of any employee's continuous employment will be the date on which the employee first reports to work for the Company in his or her last employment with the Company.

Section 3. Service Credit Records

A present employee's continuous employment and service credit shall be as established by the Company's service credit records.

Section 4. Service Credit Defined

- A. *When an employee's starting date and service credit have been established in accordance with the provisions of Section 3 (or are established under Section 2 in the case of an employee hired after the date of this Plan), then on each succeeding anniversary of the starting date one year of continuous employment will be credited; and one year of service credit will be credited provided he or she has worked five hundred hours or more for the Company in that anniversary year. When total hours worked within an anniversary year are less than five hundred, no service credit will be received for that year, and this fact shall be recorded in writing and a copy will be furnished to the employee.*

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B. With respect to any employee, "hours worked" include:

- (1) Each hour for which he is paid, or entitled to payment, for the performance of duties for the Company, such hours to be credited to him for the computation period or periods in which the duties are performed; and
- (2) Each hour for which back pay, irrespective of mitigation of damages, is awarded or agreed to by the Company, to the extent that such award or agreement is intended to compensate the employee for periods during which he would have been engaged in the performance of duties for the Company; provided that (a) the same hours shall not be credited under both clause (1) and this clause (2), and (b) hours under this clause shall be credited for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made.

C. If an employee works for a unit of the Company or any of its U.S. subsidiaries or affiliates for more than 500 hours and also works for another participating or non-participating unit of the Company or any of its other U.S. subsidiaries or other affiliates for more than 500 hours during the same anniversary year, that employee will only accumulate one year of service credit under the Plan. With the exception of the Additional Foundry Service Credit set forth in Section 18 of this Article, no additional service credit will be credited to an employee for either more than 500 hours worked in any one anniversary year, or for more than 500 hours worked in more than one unit of the Company in any one anniversary year.

D. If an employee who has service credit under this Plan and is continuing to earn service credit under this Plan is transferred to salaried status in the same or another unit of the Company or another U.S. subsidiary or affiliate of

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the Company and receives service credit under that Unit's, subsidiary's or affiliate's pension plan for *accumulated service credit while participating in this Plan*, that employee will receive full earned service credit under the provisions of the pension plan in effect where the employee last worked prior to retirement. No other benefit or vesting rights will occur under this Plan or any other pension plan of the Company or any of its U.S. subsidiaries or affiliates.

- E. Notwithstanding anything in the Service Credit language set forth above, and only for the purposes of determining benefit amounts payable under this Plan, when an employee of the Company or any of its subsidiaries or affiliates who is covered exclusively by a defined contribution retirement plan is transferred to a Unit of the Company that has this defined benefit retirement plan (this Plan) as its retirement plan, then regardless of the "service credit" language set forth above, that employee will not receive any service credit for the computation of *benefits under this defined benefit retirement plan for the time that the employee was employed by the unit of the Company that had the defined contribution retirement plan*; however, the time employed by such unit will be credited toward early, normal, or disability retirement eligibility and vesting but not credited for any eligibility for *early retirement benefit supplements or special early retirement benefit incentives provided under this defined benefit retirement plan*. Furthermore, upon retirement under this defined benefit retirement plan, such employee will not have an offset to the benefits received under this Plan for the benefits received under the previously *described defined contribution retirement plan*.
- F. Notwithstanding anything in the Service Credit language set forth above, and only for the purposes of determining benefit amounts payable under this Plan, when an employee of the Company or any of its subsidiaries or affiliates who is covered by this defined benefit retirement plan is transferred to a unit of the Company or any of its

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subsidiaries or affiliates that exclusively has a defined contribution retirement plan, then regardless of the "service credit" language set forth above, that employee will not receive any service credit for the computation of benefits under this defined benefit retirement plan for the time that the employee was employed by the unit of the Company that exclusively has the defined contribution retirement plan; however, the time employed by such unit will be credited toward early, normal, or disability retirement eligibility and vesting but not credited for any eligibility for early retirement benefit supplements, special early retirement benefit incentives, or additional accumulated service while on disability retirement provided under this defined benefit retirement plan. Furthermore, upon retirement under this defined benefit retirement plan, such employee will not have an offset to the benefits received under this Plan for the benefits received under the previously described defined contribution retirement plan.

Section 5. Time of Crediting

Five hundred or more hours worked within an anniversary year will not be credited to the employee as a year's service credit until the end of that anniversary year.

Section 6. Partial Year's Service Credit

- A. For the purpose of computing pension benefits, an employee retiring prior to the end of an anniversary year shall receive service credit at the rate of 8-1/3 percent of one year's service credit for each month from the employee's last anniversary date to the date of retirement providing such time would have been creditable had the employee's continuous employment continued to the next anniversary date.
- B. For the purpose of computing pension benefits, an employee whose employment with the Company is terminated on or after 1 October 1976 and prior to the end of an anniversary year shall receive service credit at the

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rate of 8-1/3 percent of one year's service credit for each month from the employee's last anniversary date to the date of termination providing such time would have been creditable had the employee's continuous employment continued to the next anniversary date.

Section 7. Occupational Injury

Time lost due to injury sustained in the active employment of the Company will be credited as time worked in an amount equal to that which the employee would have worked but not to exceed a maximum of forty hours in any workweek.

Section 8. Nonoccupational Injury or Illness

A. Time lost on or after 22 February 1971 due to nonoccupational injury or illness for which the employee receives

- (1) a weekly indemnity benefit will be credited as time worked in an amount equal to that which the employee would have worked but not to exceed a maximum of forty hours in any one workweek; and
- (2) a total and permanent disability retirement benefit will be credited as time worked at the time the employee becomes eligible for Early Retirement under Appendix A, Article III, Section 2-A-(3) or Normal Retirement under Appendix A, Article III, Section 1 or at the time such retired employee's surviving spouse becomes eligible for a survivor benefit in an amount equal to that which the employee would have worked but not to exceed a maximum of forty hours in any one workweek; and
- (3) a long term disability (LTD) benefit will be credited at the time the employee becomes eligible for a Normal or Early Retirement benefit as time worked in an amount equal to that which the employee would have worked but not to exceed a maximum of forty hours in any one workweek.

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- B. An employee described in A-(2) or (3) above who recovers and is subsequently reemployed shall be credited with the service credit he or she had when the disability commenced. In addition, for the period of such disability, such employee will at the date of reemployment receive credit as time worked in an amount equal to that which the employee would have worked but not to exceed a maximum of forty (40) hours in any one workweek. However, for all disabilities (LTD or Disability Retirement) commencing on or after 1 October 2003: (1) an employee with 30 or more years of pension service credit at the commencement of LTD and/or Disability Retirement will not receive any additional pension service credit for time on LTD and/or Disability Retirement; (2) if an employee has less than 30 years of pension service credit at the commencement of LTD and/or Disability Retirement, service credit while on LTD and/or Disability Retirement will be added to the amount of pension service credited to the employee immediately prior to commencement of LTD and/or Disability Retirement, but not to exceed a total of 30 years of pension service credit.

Section 9. Layoff

- A. Time lost on or after 22 February 1971 due to layoff will be credited as time worked in an amount equal to that which the employee would have worked, but not to exceed a maximum of forty hours in any one workweek.
- (1) The maximum period of time will be determined on the basis of one month for each four weeks the employee was eligible to receive Supplemental Unemployment Benefits (SUB) as of the date of layoff, but not to exceed twelve months.
 - (2) The maximum period of time for an employee laid off as a result of a plant closing will be determined on the basis of one month for each four weeks the employee was eligible to receive Supplemental Unemployment Benefits (SUB) as of the date of layoff but not to exceed twenty-four months.

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- B.** Any employee who was in active employment on or after 1 October 1988, who lost one or more years of service credit prior to 16 October 1967 due to layoff, and who did not apply to have such service credit restored during the window period from 16 October 1967 to 1 July 1968, as described in the 1967 Plan, will be credited with the service credit that would have been credited under the provisions of the 1967 Plan, had the employee made application.
- C.** For employees who were hired on or after 1 October 1997, time lost on or due to layoff will be credited as time worked in an amount equal to that which the employee would have worked, but not to exceed a maximum of 40 hours in any one work week, and not to exceed a maximum period equal to the lesser of six months or the period of employment prior to the layoff.

Section 10. Optional Leave

Time lost on or after 22 November 1971 due to optional leave will be considered as time worked in an amount equal to that which the employee would have worked but not to exceed a maximum of 40 hours in any one workweek, nor to exceed 13 weeks in any anniversary year.

Section 11. Uniformed Services Employment and Reemployment Rights

An employee who left employment with the Company and immediately entered the service of the Uniformed Services of the United States will be considered as continuing to have been employed by the Company; and the service in the Uniformed Services of the United States will be credited towards service credit up to a maximum of 40 hours per week for a maximum time period of five years in the same manner as set forth in Section 4, provided the employee has reemployment rights under any existing law, and does become reemployed by the Company under the provisions of such law. For the purposes of the Plan, service in the Uniformed

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Services of the United States means service with the Armed Forces, the National Guard, the commissioned corps of the Public Health Service and any category of persons the President designates in time of war or emergency.

Section 12. Accumulation in any Unit

Continuous employment and service credit may be accumulated by an employee in any unit of the Company subject to all of the provisions herein.

Section 13. Transfer

When an employee is formally transferred, i.e., having no recall rights to the original unit, from one unit of the Company to another unit of the Company, the unit from which the employee is being transferred will furnish to the new unit a written statement of the employee's continuous employment and service credit status and the new unit will furnish a copy of same to the employee.

Section 14. Crediting Time Spent at Other Units

An employee working for one unit of the Company who is on layoff and subject to recall to another unit of the Company shall, when recalled and reemployed by the original unit, receive credit for time spent at the other unit, or units, for the purpose of continuous employment and service credit in accordance with the provisions of the Plan. If the employee is not recalled to the original unit within the period in which the employee is subject to recall, or having been recalled, he or she notifies both the original unit and the current employing unit, within five working days, that he or she has elected to remain in the current employing unit and thereby forfeit recall rights to the original unit, then the employee will be considered a formal transfer to the new unit as set out in Section 13.

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Section 15. Termination of Continuous Employment and Service Credit

An employee's continuous employment and service credit will be terminated by any one of the following occurrences:

- A. Death or retirement or determination of permanent and total disability as specified in Article III, Section 3, of this Plan and Article II, Section 4, of the John Deere Group Life and Disability Insurance Plan for Wage Employees, except that an employee who has been determined to be totally and permanently disabled shall receive service credit as provided in Section 8-A-2 and further provided in the event such employee recovers and is subsequently reemployed shall have continuous employment reinstated as though he or she had been continued on leave of absence during the period of total and permanent disability.
- B. Quitting the job, either with or without notice.
- C. Discharge, provided, however, if it is later determined that the employee was discharged without good and just cause and the employee is reinstated, then service credit will also be reinstated.
- D. Failure on the part of the employee to return to work on the required date after a leave of absence.
- E. Failure on the part of a laid-off employee to return to work within five working days when notified to do so by the Company at the last known address, unless prevented from doing so by a reason satisfactory to the Company.
- F. Failure to return to work from military service within the period during which he has reemployment rights under any existing law.
- G. Subject to Section 14 above, any absence from active employment other than formal leave of absence in writing granted by the Company, military service as set out in

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Section 11, or plant-incurred injury as set out in Section 7, for a period of time equal to the employee's employment prior to such absence, or for a period of five consecutive years, whichever is the lesser; provided, however, that no employee who has completed the probationary period will lose continuous employment and service credit unless such absence exceeds two years.

Section 16. Reestablishment of Service Credit

Any present employee whose continuous employment and service credit were previously terminated will have the service credit held at the time of such previous termination reestablished.

Section 17. Original Unit Defined

The words "original unit" as used in Section 14 shall mean the unit at which an employee's starting date for continuous employment and service credit was established as set out in Section 2 or the last unit to which the employee has been formally transferred.

Section 18. Additional Foundry Service Credit

- A. Any present employee who was hired prior to 2 June 1997 and has had continuous employment since that date shall be credited with years of "Additional Foundry Service Credit" as set forth in Paragraph C below, based on the years of service credit credited in accordance with Section 4 of this Article for Foundry Service prior to 1 October 2003 as defined in Paragraph B below.
- B. Except as provided below, Foundry Service shall be determined on the following basis:
 - (1) All employees whose work assignment is or has been classified under an "A" Occupational Code.

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- (2) All employees whose work assignment is or has been classified under other occupational codes in the following Foundry operational areas.
 - a. Melting.
 - b. Coremaking.
 - c. Molding.
 - d. Cleaning-Finishing.
 - (3) For purposes of applying (1) or (2) above, Foundry Service will not be counted if the majority of time on the work assignment was:
 - a. in an enclosed area within the Foundry, and/or
 - b. outside the Foundry.
 - (4) The employee worked in that work assignment for at least twenty-five (25) weeks in the anniversary year.
- C. One (1) year of "Additional Foundry Service Credit" shall be credited for each five (5) years of Foundry Service, provided that such years of Foundry Service have not previously been used to establish "Additional Foundry Service Credit" in accordance with the provisions of this Plan as amended prior to 1 October 1997. When the determination of "Additional Foundry Service Credit" is made under the above, the employee will be advised in writing of his/her total years of service credit.
- D. In no event will years of "Additional Foundry Service Credit" be used to determine eligibility for a deferred vested pension.

ARTICLE III **ELIGIBILITY FOR RETIREMENTS AND** **AMOUNT OF PENSIONS**

Section 1. Normal Retirement

- A. An employee shall be eligible for normal retirement benefits on or after attaining age 65 in the employment of the Company provided such employee has been credited with at least five years of service credit.
- B. For employees hired on or after 1 October 1997, the amount of pension benefits allowed monthly per year of service credit for retirements on or after 1 October 2003 will be based upon the following earnings brackets:

Earnings Bracket at Retirement		Monthly Pension Amount Per Year Of Service Credit
At Least	But Less Than	
	\$13.926	\$25.75
\$13.926	\$16.924	\$27.85
\$16.924	\$19.924	\$29.95
\$19.924	\$22.924	\$32.05
\$22.924	\$25.924	\$34.15
\$25.924	and up	\$35.45

- C. The earnings bracket amounts will be determined in accordance with Appendix "C," Disability Plan, Article III, Amount of Benefit, Section 1, Determination of Earnings Brackets.
- D. For employees who retire from the Company immediately after serving in the Uniformed Services of the United States, from layoff, or from occupational illness or injury, their earnings brackets will be determined based upon the average hourly earnings rate they would have received if the employee continued to be at work.

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- E. In no event shall annual compensation for the purpose of determining benefits exceed \$150,000 or such other amount as may be permitted by regulation prescribed by the Secretary of the Treasury.
- F. For employees hired prior to 1 October 1997 who retire at age 65 or later, the monthly pension amount per year of service credit above shall be:

For Retirements		Amount Per Year
On or After	And Prior to	of Service Credit
1 Oct 2003	1 Oct 2004	\$ 44.00
1 Oct 2004	1 Oct 2005	44.50
1 Oct 2005	1 Oct 2006	45.25
1 Oct 2006	1 Oct 2007	46.00
1 Oct 2007	1 Oct 2008	47.25
1 Oct 2008		48.75

This Paragraph 1-F does not apply to employees who retire under Section 3 or 5 of this Article or any employee hired at the Waterloo Foundry between 2 June 1997 and prior to 1 October 1997.

Section 2. Early Retirement

- A. An employee may retire at his or her option, if such employee
- (1) has attained age 60 but not 65 and who at that time has at least 10 years of service credit, or
 - (2) has attained age 55 but not 60 and whose combined years of age and service credit shall total at least 85, or
 - (3) has 30 or more years of service credit.
- B. In such event an employee retiring on or after 1 October 2003 shall be entitled to benefits in a reduced amount based upon service credit and earnings prior to such retirement and computed in accordance with Section 1 of this Article. Such reduced amount shall be:

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- (1) The normal pension as determined in Section 1-B of this Article, reduced by 1/3% for each month the employee is under age 62 at the date of retirement, or
- (2) An employee who was hired prior to 1 October 1997 and retires under 2-A above, the monthly pension amount per year of service credit shall be the following but without the reduction shown in B-(1) above:

For Retirements		Amount Per Year
On or After	And Prior to	of Service Credit
1 Oct 2003	1 Oct 2004	\$ 44.00
1 Oct 2004	1 Oct 2005	44.50
1 Oct 2005	1 Oct 2006	45.25
1 Oct 2006	1 Oct 2007	46.00
1 Oct 2007	1 Oct 2008	47.25
1 Oct 2008		48.75

This Paragraph 2-B-(2) does not apply to employees who retire under Section 5 of this Article or any employee hired at the Waterloo Foundry between 2 June 1997 and prior to 1 October 1997.

- (3) Notwithstanding anything in the above Section, for employees hired prior to 1 October 1997 who retire at age 62 or later, the monthly pension amount per year of service credit in Section 1-B shall be:

For Retirements		Amount Per Year
on or after	And Prior to	of Service Credit
1 Oct 2003	1 Oct 2004	\$ 44.00
1 Oct 2004	1 Oct 2005	44.50
1 Oct 2005	1 Oct 2006	45.25
1 Oct 2006	1 Oct 2007	46.00
1 Oct 2007	1 Oct 2008	47.25
1 Oct 2008		48.75

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This Paragraph 2-B-(3) does not apply to employees who retire under Section 3 or 5 of this Article or any employee hired at the Waterloo Foundry between 2 June 1997 and prior to 1 October 1997.

- C. An employee retiring prior to age 62 under Section 2-A of this Article may elect, at the time of retirement, to receive benefits commencing at any time up to age 62. The amount of such benefits will be computed in accordance with Section 2-B of this Article with appropriate reduction under Section 2-B based upon the date benefits commence. The date these benefits are to commence after retirement but prior to age 62, as herein provided, shall be designated by the employee at the time of retirement and is subject to change by the employee provided notice is received not less than 60 days prior to the designated commencement of benefits.**
- D. An employee who has attained age 50 but not normal retirement age and who at that time has at least 10 years of service credit may be retired at the option of the Company or under mutually satisfactory conditions. In such event the employee shall be entitled to the pension as determined in Section 1-B, reduced as provided in Section 2-B-(1) of this Article or the benefit described in Section 1-F or Section 2-B(3) of this Article, if applicable, but based upon service credit prior to such retirement and computed in accordance with this Article, subject to the following:**
 - (1) The pension as determined in Section 2-B(2) of this Article, and**
 - (2) An Additional Temporary Benefit commencing at early retirement until attainment of age 62 for an employee whose date of birth is the first or second day of a calendar month, or until attainment of age 62 and one month for an employee whose date of birth is later than the second day of a calendar**

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month, or through the month prior to the month in which the employee is or would have been eligible for an 80% Social Security benefit under Social Security's current structure, or in any case, until eligibility for an unreduced Social Security benefit, if earlier, as follows:

- a. For employees hired on or after 1 October 1997 at retirement, \$21.60 per month per year of service credit not to exceed \$648.00 per month, or
- b. For employees hired prior to 1 October 1997, except for employees hired at the Waterloo Foundry between 2 June 1997 and prior to 1 October 1997, the monthly amount shown in D-(2)-a above will be the following:

For Retirements		Additional Temporary Benefits	
On or After	And Prior to	Per Month Per Year of Service Credit	Subject to a Maximum of
1 Oct 2003	1 Oct 2004	\$ 42.75	\$ 1,282.50
1 Oct 2004	1 Oct 2005	42.75	1,282.50
1 Oct 2005	1 Oct 2006	43.75	1,312.50
1 Oct 2006	1 Oct 2007	43.75	1,312.50
1 Oct 2007	1 Oct 2008	44.65	1,339.50
1 Oct 2008		45.65	1,369.50

Section 2.1 Employment Security Pension Program

If the Company determines at any time(s) prior to 1 October 2009 that it is advisable to encourage voluntary early retirements, the Company may offer the Employment Security Pension Program, as set forth below and hereinafter called the "Program". The period(s) of time during which the Program is offered (the "window period(s)") will be determined by the Company.

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A. The Program will be in effect only for employees hired prior to 1 October 1997 and who are

- (1) at least age 55,**
- (2) eligible for and elect early retirement under Article III, Section 2, Paragraph A of the Plan and this Program during a period when this Program is offered by the Company; and**
- (3) specifically identified by the Company as eligible for the Program as follows:**
 - a. At the discretion of the Company specific eligibility criteria may include, but are not limited to, any of the following categories or any combination thereof: job classification(s), plant(s) or facility(ies), functional area(s) and seniority group(s). The Company may limit the number of eligible employees by such category or in total who elect retirement under this Program.**
 - b. If a sufficient number of employees do not accept such offer, the Company may modify the eligibility criteria to achieve the objectives of this Program.**

B. Payment and amount of benefits under the Program will be paid in two parts:

- (1) Benefits determined under the provisions of Article III, Section 2-D, and Article V of the Plan; and**
- (2) In addition to the pension amounts described in (1) above, an additional monthly special pension benefit of \$350.00, beginning with the month in which the employee retires, will be payable to each employee who retires under this Program until attainment of age 62 for an employee whose date of birth is the first or second day of a calendar month, or until attainment of age 62 and one month for an employee**

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whose date of birth is later than the second day of a calendar month, or through the month prior to the month in which the employee is or would have been eligible for an 80% Social Security benefit under Social Security's current structure, except that no special pension benefit amount under this item (2) shall be payable (a) for any month following the month in which the retired employee's death occurs and (b) to any survivor, beneficiary or estate of any retired employee.

- C. Employees electing to retire under this Program will be selected on a seniority basis. The Program does not affect the employment status of any employee who could retire when eligible for Program benefits, but who chooses not to retire during a period when the Program is offered. Retirement from the Company shall remain completely voluntary by the employee. No person shall have any vested rights for benefits under the Program.
- D. For employees retiring on or after 1 October 2003, benefits are payable in accordance with Article VI, Section 1-B, Section 3-C and Section 7-A-(2) and 7-A-(3).

Section 2.2 John Deere Minneapolis Depot Closing Pension Program

To facilitate the orderly closing of the John Deere Minneapolis Depot, the Company will offer a one-time special retirement program as follows:

- A. The Program will be in effect only for employees who are
 - (1) At least age 50 with no less than 10 years of Service Credit within two years following the effective date of the closing of the Minneapolis Depot or
 - (2) Otherwise eligible to retire under the Plan within two years following the effective date of the closing of the Minneapolis Depot.

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- B. Notwithstanding Paragraph A above, an ineligible employee may grow into eligibility by attaining age 50 with no less than 10 years of Service Credit prior to losing seniority at the Minneapolis Depot. An employee will lose all rights under this program if application for retirement is not made while eligible to retire and prior to being offered employment at another Company facility in the labor market area.
- C. Payment and amount of benefits under the Program will be paid as follows:
- (1) Benefits determined in accordance with Article III, Section 2-D and Article V of the Plan, except, however, the reduction of benefits under Article III, subparagraph (1) of Section 2-B shall not be applied, and
 - (2) In addition to the pension amounts described in (1) above, an additional monthly special pension benefit of \$400.00, beginning with the month following the month in which the employee retires, will be payable to each employee who retires under this Program until attainment of age 62 for an employee whose date of birth is the first or second day of a calendar month, or until attainment of age 62 and one month for an employee whose date of birth is later than the second day of a calendar month, or through the month prior to the month in which the employee is or would have been eligible for an 80% Social Security benefit under Social Security's current structure, except that no special pension benefit amount under this item (2) shall be payable (a) for any month following the month in which the retired employee's death occurs and (b) to any survivor, beneficiary or estate of any retired employee.

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- D. The Program does not affect the employment status of any employee who could retire when eligible for Program benefits, but who chooses not to retire during a period when the Program is offered. Retirement from the Company shall remain completely voluntary by the employee. No person shall have any vested rights for benefits under the Program.
- E. For Minneapolis Depot employees retiring on or after 1 October 2003 benefits are payable in accordance with Article VI, Section 1-B, Section 3-C and Section 7-A-(2).

Section 3. Total and Permanent Disability Retirement

- A. An employee shall be eligible upon retirement to receive disability benefits hereinafter provided, if such employee becomes totally and permanently disabled and has not attained age 68 and has at least 10 years' service credit.
- B. An employee shall be deemed to be totally and permanently disabled when, on the basis of medical evidence satisfactory to the Company, the employee is found to be totally and permanently prevented from performing any and all work for the Company as a result of any medically demonstrable and determinable physical or mental condition resulting from bodily injury or mental or physical disease, either occupational or nonoccupational in cause.
- C. In the event of retirement because of total and permanent disability, an employee shall be entitled to receive benefits in the following amounts:
 - (1) Total and Permanent Disability Benefit for employees hired on or after 1 October 1997 are as follows:

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Earnings Bracket at Retirement		Monthly Pension Amount Per Year of Service Credit
At Least	But Less Than	
	\$13.926	\$25.75
\$13.926	16.924	27.85
16.924	19.924	29.95
19.924	22.924	32.05
22.924	25.924	34.15
25.924	and up	35.45

In the event of retirement because of total and permanent disability on or after 1 October 2003, an employee shall be entitled to receive monthly pension benefits based upon the above earnings brackets per year of service credit at retirement except that employees who were hired prior to 1 October 1997 that amount shall be:

For Retirements		Amount Per Year of Service Credit
On or After	And Prior to	
1 Oct 2003	1 Oct 2004	\$44.00
1 Oct 2004	1 Oct 2005	44.50
1 Oct 2005	1 Oct 2006	45.25
1 Oct 2006	1 Oct 2007	46.00
1 Oct 2007	1 Oct 2008	47.25
1 Oct 2008		48.75

This Paragraph 3-C-(1) does not apply to employees hired at the Waterloo Foundry between 2 June 1997 and prior to 1 October 1997.

- (2) The earnings bracket amounts will be determined in accordance with Appendix "C", Disability Plan, Article III, Amount of Benefit, Section 1, Determination of Earnings Bracket.

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- (3) The benefit in (1) above shall continue for the duration of such permanent and total disability until the earlier of attaining 30 years of pension service credit for all disabilities (LTD or Disability Retirement) commencing on or after 1 October 2003, age 68 or election by the employee after attaining eligibility for normal or early retirement to redetermine the benefit in accordance with Section 3-D of this Article.
- (4) An Additional Temporary Benefit commencing at early retirement until attainment of the earlier of: 30 years of pension service credit for all disabilities (LTD or Disability Retirement) commencing on or after 1 October 2003; or age 62 for an employee whose date of birth is the first or second day of a calendar month or until attainment of age 62 and one month for an employee whose date of birth is later than the second day of a calendar month, or through the month prior to the month in which the employee is or would have been eligible for an 80% Social Security benefit under Social Security's current structure, or in any case, until eligibility for an unreduced Social Security benefit, if earlier, as follows:

 - a. For employees hired on or after 1 October 1997 and retirements on or after 1 October 2003, \$21.60 per month for each year of service credit not to exceed \$648.00 per month, or
 - b. For employees hired prior to 1 October 1997, except for employees hired at the Waterloo Foundry between 2 June 1997 and prior to 1 October 1997, the monthly amount shown in Section 3-C-(4)a above will be the following:

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For Retirements		Additional Temporary Benefits	
On or After	And Prior to	Per Month Per Year of Service Credit	Subject to a Maximum of
1 Oct 2003	1 Oct 2004	\$ 42.75	\$ 1,282.50
1 Oct 2004	1 Oct 2005	42.75	1,282.50
1 Oct 2005	1 Oct 2006	43.75	1,312.50
1 Oct 2006	1 Oct 2007	43.75	1,312.50
1 Oct 2007	1 Oct 2008	44.65	1,339.50
1 Oct 2008		45.65	1,369.50

D. An employee retired because of total and permanent disability under the 1950 Plan as amended thereafter shall have the benefit redetermined in accordance with Section 3-C-(1) of this Article at the earliest of:

- (1) for all disabilities (LTD or Disability Retirement) commencing on or after 1 October 2003, the first day of the calendar month after attaining 30 years of pension service credit; or
- (2) age 65 if disability retirement commenced prior to attainment of age 60; or
- (3) the earlier of age 68 or 60 months after commencement of disability retirement if disability retirement commenced on or after attainment of age 60; or
- (4) the first day of any calendar month after attaining age 65 but prior to attaining age 68 for any employee whose disability retirement commenced on or after age 60 and who makes a written election to have the disability retirement redetermined, provided written election is received not less than 60 days prior to the effective date of such redetermination.

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Service credit applicable to this redetermined benefit shall include service credit for the anniversary years during which disability benefits were received. For all disabilities (LTD or Disability Retirement) commencing on or after 1 October 2003: (1) an employee with 30 or more years of pension service credit at the commencement of LTD and/or Disability Retirement will not receive any additional pension service credit for time on LTD and/or Disability Retirement; (2) if an employee has less than 30 years of pension service credit at the commencement of LTD and/or Disability Retirement, service credit while on LTD and/or Disability Retirement will be added to the amount of pension service credited to the employee immediately prior to commencement of LTD and/or Disability Retirement, but not to exceed a total of 30 years of pension service credit.

- E. Benefits under this Plan on account of total and permanent disability shall be payable and retirement shall commence as of (1) the first day of the sixth month following the commencement of the employee's continuous incapacity to work because of such disability, or as of (2) the first day of the month after the employee is found to be totally and permanently disabled as set out in Section 3-B of this Article, whichever is later.

Section 4. Postponed Retirement

- A. On or after 31 May 1986, no employee shall, by reason of age, be required to retire.
- B. An employee retiring under this Section and who at that time has at least 5 years of service credit shall receive benefits computed in accordance with Section 1 of this Article.

Section 5. Deferred Vested Pension

- A. Any employee whose employment shall terminate on or after 30 September 1979 shall be eligible upon making application therefor to receive a deferred vested pension benefit if at the time of such termination:

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- (1) The employee has 10 or more years of service credit, and
 - (2) the employee is not eligible for any other type of retirement benefit under this Plan.
 - (3) In respect to an employee at work on and after 1 November 1988, whose employment shall subsequently terminate, 5 shall be substituted for 10 in subparagraph (1) above.
- B. The former employee shall be entitled to benefits computed in accordance with Section 1 of this Article except that the earnings bracket amount shall be the amount
- (1) as specified in Article III, Section 1-C, and
 - (2) determined for the period immediately prior to termination where service credit was received.
- C. For any employee whose employment terminates on or after 1 October 2003, the earliest commencement date of this pension shall be the first day of the month following the month in which such former employee attains age 65 with at least 5 but less than 10 years of service credit, or age 60 with at least 10 years of service credit, or, if earlier, when the former employee's combined years of age and service credit shall total at least 85. The pension shall be payable on the first day of the month on or after the earliest commencement date following the month in which former employee makes application. If application is made at age 65 or later, the pension will be computed on a normal retirement basis. If application is made and pension commences before age 65, the pension will be reduced by $\frac{1}{2}\%$ for each month the former employee is under age 65.
- D. The provisions for the Survivor Benefit and Preretirement Surviving Spouse Benefit of Article IV shall be applicable to a former employee who is eligible for deferred vested

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pension benefits as defined in this Section. Such Survivor or Preretirement Surviving Spouse Benefit shall not be payable prior to the date of application for benefits and in no event, earlier than the earliest commencement date as defined in Paragraph C above.

- E. The application must be submitted not earlier than 60 days prior to the earliest commencement date. The Company will mail notices to former employees who would be eligible to receive deferred vested pension benefits but who have not made applications. The notice to such former employee will be sent on or about the 90th day prior to the employee's 60th, 65th and 70th birthdays, and will be mailed to the last address shown on the Company records.
- F. Notwithstanding the foregoing provisions of this Section 5, effective 1 June 1986, any former employee who is entitled to a deferred vested pension under the terms of this Plan as in effect from time to time or any surviving spouse of a former employee who is entitled to a Survivor Benefit under Paragraph D above and Section 1 of Article IV or Preretirement Survivor Benefit under Section 4 of Article IV, may receive a single lump sum payment in lieu of a pension benefit. A lump sum payment under this Paragraph F shall be paid to an individual only if pension benefit payments to such individual have not commenced and the present value of the lump sum payment does not exceed \$5,000. For purposes of determining the present value of a lump sum payment under this Paragraph F, the interest rate assumption shall be the interest rate and mortality table as determined in Article I, Section 14. In the event a former employee who receives a distribution under this Paragraph F is later reemployed by the Company, any retirement benefits payable after his reemployment shall be reduced by the actuarial equivalent of the benefits he received under this Paragraph (with such actuarial equivalence based on the factors set out under Section 14 of Article I).

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In the event that a person entitled to a lump sum distribution under this Paragraph cannot be located, the Company may direct that such benefit and all further benefits with respect to such person shall be discontinued and all liability for the payment thereof shall terminate; provided, however, that in the event of the subsequent reappearance of the person prior to termination of the Plan, the benefits which were due and payable and the future benefits due such person shall be reinstated in full.

A lump sum distribution under this Paragraph will be paid as soon as practicable following the effective date of this provision, but in no event later than 120 days following the end of the plan year in which an eligible employee's employment with the Company terminates.

- G. In lieu of a lump-sum payment to a Distributee under Paragraph F of this Section, payment of the present value of the deferred vested pension benefit (which does not exceed \$5,000) can be made by means of a direct rollover transfer. In order to make use of a direct rollover, the Distributee must sign and submit an election statement (to be provided by the Company) indicating that the distribution is to be made via a direct rollover to an eligible retirement plan within 60 days of notification by the Company of a lump sum distribution.

- (1) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the Distributee's eligible rollover distribution. In the case of an eligible rollover distribution to a surviving spouse, an "eligible retirement plan" is an individual retirement account or an individual retirement annuity.

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- (2) A "Distributee" includes an employee or former employee. The employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order are also Distributees with regard to the interest of the spouse or former spouse.

In addition, the Distributee must furnish documentation showing that the transferee trust is an approved trust under the respective sections of the Code. Once the election statement has been approved and the documentation accepted, the Company will instruct the Trust (referred to in Article I Section 4) to issue a check to the transferee trust, or to the Distributee in the name of the transferee trust (stipulated by the Distributee on such election statement) for the amount of the present value of the deferred vested pension benefit, or transfer such amount directly to the transferee trust.

Section 6. Commencement and Termination of Pension Benefits

- A. Benefit payments shall be made monthly. The first payment will be payable as of the first day of the month following retirement.
- B. Benefit payments to employees still working which commenced on or after 1 January 1989 and prior to 1 January 1997 under this Article III shall be adjusted to reflect the employee's current age, service credit, and earnings each 1 January subsequent to the year the employee attained age 70½ and continues to work for the Company, and at the time of the employee's retirement from the Company.
- C. Effective 1 January 1997, an employee who continues employment beyond age 70½ and whose required distribution beginning date would have been 1 April of the year following attainment of age 70½, will not be required

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to begin minimum distribution until the employee attains age 70½, or the year the employee retires, whichever is later, as provided by Code Section 401 (a) (9) (C) as amended.

- D. Benefits for employees still working after age 70½ will be calculated at retirement to reflect all of the employee's service credit which includes service credit from age 70½ to retirement and actuarially increased under Article I, Section 14 to reflect the period after 70½ in which the employee was not receiving any benefit.
- E. The last payment will be made on the first day of the month of the retired employee's death.
- F. No benefit shall be payable for any month for which the retired employee is receiving weekly disability payments under any group insurance plan to which the Company shall have contributed. For any month for which the retired employee is receiving such weekly disability payments for part of the month, a proportionate amount of any monthly retirement benefits otherwise payable shall be paid for that part of the month for which the retired employee receives no weekly disability payments.

Section 7. Suspension of Benefits During Reemployment

- A. If a former employee (other than an employee retired on account of total and permanent disability) receiving or entitled to receive benefits under the Plan is reemployed by the Company on or after 1 November 1983, any benefit payments then being made to him shall cease during the period of such reemployment, except that if an employee is reemployed after age 65, such suspension shall be made only if the reemployment is at a rate of more than 40 hours worked per month. On the employee's subsequent termination of employment, the amount of his benefit shall be redetermined in accordance with the provisions of the Plan as then in effect. For that purpose his service credit as of the date of his original termination shall be added to the service credit, if any,

during his period of reemployment. The amount of the benefit payable on subsequent termination of employment shall be reduced by an amount that is the actuarial equivalent of any benefit previously paid to him under the Plan before age 65 (with such actuarial equivalence based on the factors set out under Section 14 of Article 1). Notwithstanding the foregoing, in no event shall the benefit payable to an employee on subsequent termination of employment be in an amount less than the amount of benefit he was receiving, or entitled to receive, as of the date preceding his reemployment.

- B. (1) If an employee participating in the Plan remains in employment with the Company or is reemployed by the Company after age 65 and, as a result of such employment or reemployment fails to receive benefit payments pursuant to the Plan, such suspension of benefits shall be made in accordance with Department of Labor Regulation Section 2530.203-3 and shall include the notice described in subparagraph (2).
- (2) If an employee's benefits are to be suspended after age 65, the Company shall notify the employee, by personal delivery or first class mail during the first calendar month in which the Plan withholds payment, that benefits are suspended. The notice shall contain
- a. a general description of the reasons why payments are suspended,
 - b. a general description of Plan provisions relating to the suspension of benefits,
 - c. a copy of such Plan provisions,
 - d. a statement that applicable Department of Labor regulations may be found in Section 2530.203-3 of the Code of Federal Regulations, and

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- e. a statement that a review of the suspension may be requested under the claims procedure under the Plan.

The Plan shall adopt a procedure whereby an individual may request a determination of whether specific contemplated employment after age 65 will result in the suspension of benefits.

ARTICLE IV SURVIVOR BENEFITS

Section 1. Survivor Benefits for Retired Employees

- A. For a married employee retiring on or after 1 October 2003 under Sections 1, 2, 2.1, 3-D, or 4 of Article III, whose designated spouse shall be living at the employee's death after retirement, a Survivor Benefit shall be payable to such spouse during the spouse's further lifetime. The provisions of this Paragraph will be effective on the first day of the month following retirement.
- B. The surviving spouse's benefit shall be 55% of the monthly benefit (excluding any Additional Temporary Benefit, Special Pension Benefit, or Supplemental Allowance) payable to the retired employee, except that the Survivor Benefit payable to the surviving spouse of an employee whose monthly pension benefit is subject to redetermination in accordance with Section 3-D of Article III, shall be based on the monthly pension benefit payable to such retired employee after age 62. The retired employee's monthly benefit, however, shall be decreased by $\frac{1}{2}\%$ for each full year in excess of 10 years that such spouse is younger than the retired employee.
- C. In the event that the retired employee has elected deferral of benefits in accordance with Section 2-C of Article III, the surviving spouse may elect to have the Survivor Benefit redetermined as though the retired employee's benefits were to commence on the first of the month following such retired employee's death.
- D. The Survivor Benefit provided in this Section 1 shall not be applicable upon the death of an employee or designated spouse, or both, prior to the effective date of the Survivor Benefit.

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Section 2. Survivor Benefits for Employees and Disability Retired Employees

- A. The surviving spouse of an employee will be eligible for a monthly survivor benefit, provided**
 - (1) the employee had been married to the spouse for at least one year immediately prior to death, and**
 - (2) the employee dies**
 - a. after attaining age 65 and has 5 years of service credit, or**
 - b. after attaining age 60 but not age 65 and has 10 years of service credit, or**
 - c. after attaining age 55, but not 60, and whose combined years of age and service credit totaled at least 85, or**
 - d. with 30 or more years of service credit.**
- B. The surviving spouse of an employee who retired on total and permanent disability pension under Section 3 of Article III will be eligible for a monthly survivor benefit, provided**
 - (1) the retired employee had been married to the spouse for at least one year immediately prior to death, and**
 - (2) the retired employee dies and was eligible to retire under Section 2-A of Article III.**
- C. The Survivor Benefit will be equal to the amount which would have been paid to the surviving spouse had the employee retired at the time of death.**
- D. The surviving spouse not eligible for benefits under Paragraph A or B of this Section will be eligible for a monthly survivor benefit provided:**

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- (1) the employee has been married to the spouse for at least one year immediately prior to death, and
- (2) the employee dies on or after 23 August 1984 but prior to 1 November 1988 with ten (10) or more years of service credit, or
- (3) the employee was at work on or after 1 November 1988 and subsequently dies with five (5) or more years of service credit.

The Survivor Benefit will be equal to the amount which would have been paid to the surviving spouse had the employee lived and retired at the employee's earliest retirement date. The earliest retirement date shall be determined by the service credit attained at the time of death plus the employee's projected age at which such employee would first be eligible to retire under Sections 1, 2, or 4 of Article III.

- E. The monthly Survivor Benefit provided in this Section shall be reduced in any month by the transition or bridge survivor benefit payable to the surviving spouse under the John Deere Group Life and Disability Insurance Plan for Wage Employees.

Section 3. Commencement and Termination of Survivor Benefits

- A. Benefit payments shall be made monthly providing the payment, if any, made to the retired employee for the month following the month of the retired employee's death has been returned to the Company. The first payment to the surviving spouse will be payable as of the first day of the month following:
- (1) the retired employee's death in the case of benefits under Section 1;
 - (2) the death of an employee in the case of benefits under Section 2-A or B;

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- (3) the month in which the employee's earliest retirement date, as determined under Section 2-D, occurs in the case of benefits under Section 2-D.
- B. If the payment made to the retired employee for the month following the month of the retired employee's death is not returned to the Company, the first payment to the surviving spouse will not be paid until such payment is returned to the Company. If such payment is not returned to the Company within 60 days of the date of such payment, then the amount of such payment will be offset against the amount of the benefit payments due the surviving spouse.
- C. The last payment will be made on the first day of the month of the surviving spouse's death.

Section 4. Preretirement Surviving Spouse Benefit for Former Employees

- A. Notwithstanding any other provision of this Plan, the surviving spouse of a former employee whose *employment terminated after 30 October 1976, will be eligible for a monthly survivor's benefit, provided the former employee:*
 - (1) had been married to the spouse for at least one year immediately prior to death;
 - (2) dies on or after 23 August 1984;
 - (3) was eligible for a Deferred Vested Pension as provided in Section 5 of Article III;
 - (4) had not rejected this preretirement surviving spouse benefit by filing the proper form with the Company prior to death. An election to reject the preretirement surviving spouse benefit is valid only if consented to by the spouse as required on the form provided by the Company and either was made prior to the

participant's attaining age 35 if the participant is less than age 35, or made after age 35 and prior to the participant's death if the participant is over age 35. If the election was made prior to the participant attaining age 35, the election must be completely re-executed after the participant reaches age 35 in order for it to be effective.

The election to waive the preretirement surviving spouse benefit contains an explanation of: (i) the terms and conditions of the annuity; (ii) the participant's right to make an election, or waive the annuity, and the effect of the annuity; (iii) the rights of the participant's spouse regarding the election; and (iv) the right to make a revocation of such an election and the effect of such revocation.

- B. The surviving spouse eligible for benefits hereunder shall receive a monthly benefit for such spouse's further lifetime equal to the monthly Survivor Benefit which would have been payable had the former employee lived and applied for monthly benefits at the later of the date of death or the earliest commencement date as defined in Section 5 of Article III, with the service credit credited at the time of termination; except, however, the former employee's monthly benefit, on which the Survivor Benefit is based, shall be reduced for each full year or part thereof that the preretirement surviving spouse benefit hereunder is in effect as follows:

The Former Employee's Age on 1 January 1985 or From Time to Time Thereafter	Reduction for Each Year the Preretirement Surviving Spouse Benefit is in Effect
Under 35	0%
35 through 44	0.1%
45 through 54	0.3%
55 and Older	0.8%

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C. Benefit payments hereunder shall be made monthly. The first payment will be payable as of the first day of the month following receipt by the Company of all of the following:

- (1) A certified copy of the former employee's certificate of death;
- (2) Written application for benefits; and
- (3) *A certified copy of a certificate of marriage*

The last payment will be made on the first day of the month in which the surviving spouse dies.

ARTICLE V SUPPLEMENTAL ALLOWANCE

Section 1. Eligibility for Supplemental Allowance

An employee hired prior to 1 October 1997 who retires on or after 1 October 2003 before eligibility for an 80% Social Security benefit under Sections 2, 2.1, or 3 of Article III, may receive a Supplemental Allowance in addition to other retirement benefits under the Plan provided in this Article V provided the employee was not hired at Waterloo Foundry between 2 June 1997 and prior to 1 October 1997.

Section 2. Amount of Supplemental Allowance

A. Subject to the provisions of the other sections of this Article V, the Supplemental Allowance shall be a monthly amount which when added to benefits payable under Article III of the Plan, except for payment under Section 2.1-B-(2) or Section 2.2-C-(2) of Article III, shall equal the Total Monthly Benefit:

- (1) For an employee retiring with 30 or more years of service credit:

For Retirement		Total Monthly
On or After	And Prior To	Benefit
1 Oct 2003	1 Oct 2004	\$ 2,500.00
1 Oct 2004	1 Oct 2005	\$ 2,500.00
1 Oct 2005	1 Oct 2006	\$ 2,600.00
1 Oct 2006	1 Oct 2007	\$ 2,600.00
1 Oct 2007	1 Oct 2008	\$ 2,700.00
1 Oct 2008		\$ 2,800.00

- (2) For an employee retiring with less than 30 years of service credit, the Total Monthly Benefit shall be determined by:

- a. Dividing the applicable Total Monthly Benefit as determined in A-(1) of this Section by 30,

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- b. If the employee is under age 60 at the time of retirement, the amount determined in (2)-a shall be reduced by 1% for each month he or she is under age 60, and
- c. The result shall be multiplied by the employee's service credit.

Section 3. Assumptions and Adjustments In Computing Amount of Supplemental Allowance

- A. In the case of an employee who retires at his or her option on or after 1 October 2003 under Article III of the Plan, the monthly Supplemental Allowance shall be computed in accordance with the provisions of Section 2 of this Article on the assumption that the retirement benefits under Article III of the Plan would commence immediately after retirement. The amount so computed shall be reduced for any month for which the employee becomes or could have become eligible for an unreduced Social Security benefit. The reduction will be as follows:

For Retirements		Per Month Per Year of Service Credit	Subject to a Maximum of
On or After	And Prior to		
1 Oct 2003	1 Oct 2004	\$ 42.75	\$ 1,282.50
1 Oct 2004	1 Oct 2005	42.75	1,282.50
1 Oct 2005	1 Oct 2006	43.75	1,312.50
1 Oct 2006	1 Oct 2007	43.75	1,312.50
1 Oct 2007	1 Oct 2008	44.65	1,339.50
1 Oct 2008		45.65	1,369.50

- B. In the case of an employee retiring at the option of the Company or under mutually satisfactory conditions under Article III, Section 2-D, or under disability retirement under Section 3 of Article III of the Plan, the monthly Supplemental Allowance shall be computed in accordance with Section 2 of this Article on the

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assumption that the monthly benefit under Article III of the Plan includes a temporary benefit provided under Section 2-D-(2) or Section 3-C-(4) of Article III whether or not it actually includes the temporary benefit.

- C. In the case of an employee entitled to a Supplemental Allowance whose pension is reduced in accordance with Article IV, Section 1-B of the Plan, the monthly Supplemental Allowance shall be computed in accordance with this Article of the Plan on the basis of the monthly retirement benefit the employee would have received without such reduction.

Section 4. Payment of Allowance and Forfeiture Provision

- A. The Supplemental Allowance of an employee who retires on or after 1 October 2003 who is entitled to such allowance shall become payable on the first day of the first month after (1) employment shall have terminated, and (2) he or she shall have filed application for a retirement benefit, and shall be payable on the first day of the month in each month thereafter until and including the first day of the month in which the retiree attains age 62 if such employee's date of birth is the first or second day of a calendar month, or age 62 and one month if such employee's date of birth is later than the second day of a calendar month or through the month prior to the month in which the employee is or would have been eligible for an 80% Social Security benefit under Social Security's current structure, or dies, or is reemployed by the Company, or the retirement benefits under Article III of the Plan cease for any other reason, whichever shall occur first; provided, that if any such retired employee shall be reemployed by the Company or shall have been receiving a disability retirement benefit under Section 3 of Article III of the Plan and becomes no longer permanently and totally disabled and the service credit is restored, the forfeiture shall not affect adversely any right he or she would otherwise have to receive a Supplemental Allowance if the employee should again cease employment.

- B. The amount of any overpayments of Supplemental Allowance made after a retired employee shall have ceased to be entitled to receive such allowance, in whole or in part because of Social Security eligibility and/or payments, may be deducted from future monthly retirement benefits payable under the Plan, provided, however, that the employee may make repayment in a lump sum amount. Each retired employee receiving a Supplemental Allowance may be required to certify continuing eligibility for Supplemental Allowance payments by authorizing the Company to make inquiries regarding his or her eligibility and/or receipt of early Social Security Disability payments. The Central Pension Board will be notified when the Company exercises its right to recoup overpayments under this Paragraph.

Section 5. Discharged Employees

A discharged employee shall not be eligible to receive the Supplemental Allowance, unless the Company finds, in the case of an employee eligible for regular early retirement under Article III, Section 2-A, that such discharge was for reason which should not result in his or her being ineligible to receive the Supplemental Allowance.

ARTICLE VI RETIRED EMPLOYEES

Section 1. Early and Normal Retirement Benefits

- A. The Early Retirement benefits payable to an employee, or to the surviving spouse in the event of survivor benefits, retired prior to 1 October 2003 in accordance with the provisions of the 1950 Plan and the 1950 Plan as amended thereafter, will be effective 1 October 2003 on the basis of the following amounts per month per year of service credit:

For Retirements		Amount Per Month Per Year of Service Credit
On or After	And Prior to	
	30 Sep 1976	\$20.50
30 Sep 1976	30 Sep 1979	\$21.75
30 Sep 1979	31 May 1986	\$22.25
31 May 1986	30 Sep 1988	\$24.30
30 Sep 1988	30 Sep 1991	\$29.15
30 Sep 1991	30 Sep 1994	\$32.35
30 Sep 1994	30 Sep 1997	\$35.45
30 Sep 1997	1 Oct 2003	\$43.00

- B. The Early Retirement Benefits payable to such pensioners retired on or after 1 October 2003 will be increased as follows:

Monthly Early Retirement Benefit	
For Benefits Payable Commencing	Amount Per Year of Service Credit
1 Oct 2003	\$ 44.00
1 Oct 2004	44.50
1 Oct 2005	45.25
1 Oct 2006	46.00
1 Oct 2007	47.25
1 Oct 2008	48.75

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The schedule shown in B above is not applicable to any employee hired on or after 1 October 1997 or employees hired at the Waterloo Foundry between 2 June 1997 and prior to 1 October 1997.

- C. The Normal Retirement Benefits payable to a pensioner or to the surviving spouse, in the event of survivor benefits, retired on or after 1 October 2003 will be increased as follows:

Monthly Normal Retirement Benefit	
For Benefits Payable Commencing	Amount Per Year of Service Credit
1 Oct 2003	\$ 44.00
1 Oct 2004	44.50
1 Oct 2005	45.25
1 Oct 2006	46.00
1 Oct 2007	47.25
1 Oct 2008	48.75

The schedule shown in C above is not applicable to any employee hired on or after 1 October 1997 or employees hired at the Waterloo Foundry between 2 June 1997 and prior to 1 October 1997.

- D. The amount of Benefits shown in Paragraph A of this Section for employees who retired on or after 30 September 1973 and prior to 30 September 1976 incorporates the Additional Lifetime Benefit provided under the 1973 Plan. No Additional Lifetime Benefit shall be payable on or after 1 October 1979.
- E. In the event the pension benefit in Paragraph A or B above has been adjusted for early retirement or survivor benefits, such adjustment shall be taken into account in this redetermination. The early retirement adjustment will be based on the employee's age at the date of the increase, or in the case of surviving spouse benefits on the age the employee would have attained on the date of the increase.

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- F. An employee who exercised the election provided in Article III, Section 7-C, of the 1973 Plan shall be deemed to have retired under the provisions of the 1970 Plan and prior to 30 September 1973 for the purposes of redetermining benefits under this Article.

Section 2. Formula Pensions

- A. The Formula Pension benefits payable on or after 1 October 1991, to an employee or to the surviving spouse in the event of survivor's benefit retired prior to 30 September 1991 in accordance with the provisions of the 1950 Plan and the 1950 Plan as amended thereafter, will be increased on the basis of \$1.25 per month per year of service credit.
- B. In the event of early retirement or survivor benefits, the increases provided in Paragraph A shall be adjusted as provided for in Section 1-E of this Article.

Section 2.1 Mutual Early Retirement Benefits

- A. The Additional Temporary Benefit payable to an employee retired on or after 31 May 1986 and prior to 1 October 2003, under the provisions of Article III, Section 2-D of this Plan, who is currently ineligible for disability benefits under the Social Security Act will be redetermined as follows:

For Retirements		Additional Temporary Benefits	
		Per Month Per Year of Service Credit	Subject to Maximum of
On or After	And Prior to		
31 May 1986	30 Sep 1991	\$24.75	\$ 742.50
30 Sep 1991	30 Sep 1994	32.40	972.00
30 Sep 1994	30 Sep 1997	34.25	1,027.50
30 Sep 1997	30 Sep 2003	41.75	1,252.50

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- B. The Additional Temporary Benefit payable to an employee retired on or after 1 October 2003, under the provisions of Article III, Section 2-D of this Plan, who is currently ineligible for disability benefits under the Social Security Act will be increased as follows:

For Benefits Payable Commencing	Monthly Additional Temporary Benefits	
	Per Month Per Year of Service Credit	Subject to a Maximum of
1 Oct 2003	\$42.75	\$1,282.50
1 Oct 2004	\$42.75	\$1,282.50
1 Oct 2005	\$43.75	\$1,312.50
1 Oct 2006	\$43.75	\$1,312.50
1 Oct 2007	\$44.65	\$1,339.50
1 Oct 2008	\$45.65	\$1,369.50

- C. The Total Monthly Benefit payable to an employee retired under Article III, Section 2-D, shall be redetermined on the basis of the provisions of Section 7-A (2) and (3) of this Article and the retired employee shall be eligible for a Supplemental Allowance which when added to the Mutual Early Retirement Benefits (including the Additional Temporary Benefit provided under Paragraph B above, whether or not it actually includes the Additional Temporary Benefit) shall equal such redetermined Total Monthly Benefit.

Section 3. Disability, Special Early, Employment Security, Foundry Closing Pensioners, and Minneapolis Depot Closing Pensioners

- A. The benefits payable on or after 1 October 2003 to Disability pensioners retired prior to 1 October 2003 in accordance with the provisions of the 1950 Plan and the 1950 Plan as amended thereafter will be redetermined on the basis of the applicable amount shown in the table in Section 1-A above and service credit at the time of disability retirement.

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- B. The Additional Temporary Benefit payable on or after 1 October 2003 for Disability, Special Early, Employment Security, Foundry Closing pensioners, and Minneapolis Depot Closing pensioners retired prior to 1 October 2003 who are currently ineligible for disability benefits under the Social Security Act will be redetermined as follows:

For Retirements		Additional Temporary Benefits	
		Per Month Per Year Of Service Credit	Subject to a Maximum of
On or After	And Prior To		
	30 Sep 1980	\$17.25	\$431.25
30 Sep 1980	30 Sep 1981	\$18.25	\$456.25
30 Sep 1981	3 Jun 1983	\$19.25	\$481.25
3 Jun 1983	31 May 1986	\$19.25	\$577.50
31 May 1986	30 Sep 1988	\$21.25	\$637.50
30 Sep 1988	30 Sep 1991	\$24.75	\$742.50
30 Sep 1991	30 Sep 1994	\$32.40	\$972.00
30 Sep 1994	30 Sep 1997	\$34.25	\$1,027.50
30 Sep 1997	1 Oct 2003	\$41.75	\$1,252.50

- C. The Additional Temporary Benefit payable to Disability, Employment Security, Foundry Closing pensioners, and Minneapolis Depot Closing pensioners retired on or after 1 October 2003 who are currently ineligible for disability benefits under the Social Security Act will be redetermined as follows:

For Benefits Payable Commencing	Monthly Additional Temporary Benefits	
	Per Month Per Year of Service Credit	Subject to a Maximum of
1 Oct 2003	\$42.75	\$ 1,282.50
1 Oct 2004	\$42.75	\$ 1,282.50
1 Oct 2005	\$43.75	\$ 1,312.50
1 Oct 2006	\$43.75	\$ 1,312.50
1 Oct 2007	\$44.65	\$ 1,339.50
1 Oct 2008	\$45.65	\$ 1,369.50

Section 4. Restoration of Pension Benefits After Death of Retired Employee's Spouse

- A.** An employee who retired under the provisions of Sections 1, 2, 3 or 4 of Article III of the Plan prior to 30 September 1970 and who elected a Joint and Survivor Option at the time of such retirement and whose pension was reduced to provide a Joint and Survivor Option, but whose designated spouse predeceased or shall predecease may have the monthly basic pension benefit increased effective the first day of the month following the month in which the Company receives satisfactory evidence of the spouse's death.
- (1)** for employees who retired on or after 16 October 1967 and prior to 30 September 1970 - \$0.34 per month per year of service credit;
 - (2)** for employees who retired prior to 16 October 1967 - \$0.31 per month per year of service credit.
- B.** In the event that a retired employee who is receiving the basic pension benefit increase provided in Paragraph A of this Section makes an election under Section 6 of this Article, such increase shall be discontinued on the effective date of such election. If the designated spouse under the election under Section 6 shall predecease the retired employee, the provisions of Paragraph A shall again be effective.
- C.** An employee who retired under the provisions of Sections 1, 2, 3, or 4 of Article III of the Plan on or after 1 October 2003, and who elected a Joint and Survivor Option at the time of such retirement and whose pension was reduced as provided in Article IV, Section 1-B, but whose designated spouse predeceased or shall predecease may have the monthly basic pension benefit increased effective the first day of the month following the month in which the Company receives satisfactory evidence of the spouse's death.

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- D. In the event that a retired employee who is receiving the basic pension benefit increase provided in Paragraph C of this Section makes an election under Section 6 of this Article, the pension benefit will be adjusted and reduced in accordance with Article IV, Section 1-B, if applicable, on the effective date of such election. If the designated spouse under the election under Section 6 shall predecease the retired employee, the provisions of Paragraph A shall again be effective.

Section 5. Election of Pension Benefit Increase in the Event of Divorce

Any retired employee who is divorced by court decree from the designated spouse for whom the Joint and Survivor Option is in effect and whose pension was reduced to provide the Joint and Survivor Option or as provided in Article IV, Section 1-B, may elect to have the monthly basic pension benefit increased. To make such election the retired employee must complete a form approved by the Company and file such form with the Company, accompanied by evidence satisfactory to the Company of a final decree of divorce, in which case such election shall become effective with respect to benefits falling due for months commencing the first day of the month following the month in which the Company receives such completed election form and final decree of divorce.

Section 6. Survivor Benefit Election after Retirement

- A. Any employee retired under the 1950 Plan or the 1950 Plan as amended thereafter and for whom no survivor option is in effect may elect a Survivor Benefit option by filing a written application with the Company provided:
- (1) The employee was not married at retirement and has subsequently married, or
 - (2) The employee has had a Survivor Benefit provision in effect and has remarried.

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- B. Such Survivor Benefit shall become effective with respect to benefits falling due for months commencing with the first day of the month following the month in which the Company receives an application, but in no event before the first day of the month following the month in which the retired employee has been married to the designated spouse for one year. The Survivor Benefits under this Section will be reduced for employees retired prior to 30 September 1970 to provide a Joint and Survivor option and as shown in Article IV, Section 1-B, if applicable.

Retroactive reductions and benefit adjustments will be made to the retired employee's pension benefit or the survivor's benefit, in the event of a retired employee's death, for late notice of a designated spouse. These retroactive reductions will become payable based on the date the survivor benefit would have become effective as shown above.

Section 7. Supplemental Allowance of Retired Employees

- A. The Supplemental Allowance payable to a retired employee on or after 1 October 2003 will be redetermined as an amount which when added to the benefits payable under Section 1-A or Section 2-A of this Article, adjusted for early retirement shall equal the Total Monthly Benefit as follows:

- (1) *For an employee who retired prior to 1 October 2003 with 30 or more years of service credit:*

For Retirements		Benefits Payable
On or After	And Prior To	
	31 May 1986	\$1,100.00
31 May 1986	30 Sep 1988	1,310.00
30 Sep 1988	30 Sep 1991	1,675.00
30 Sep 1991	30 Sep 1994	2,000.00
30 Sep 1994	30 Sep 1997	2,100.00
30 Sep 1997	1 Oct 2003	2,400.00

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- (2) For an employee who retired on or after 1 October 2003 with 30 or more years of service credit, the Total Monthly Benefits will be redetermined as follows:

Total Monthly Benefits Payable	
1 Oct 2003 thru 1 Oct 2004	\$2,500.00
1 Oct 2004 thru 1 Oct 2005	\$2,500.00
1 Oct 2005 thru 1 Oct 2006	\$2,600.00
1 Oct 2006 thru 1 Oct 2007	\$2,600.00
1 Oct 2007 thru 1 Oct 2008	\$2,700.00
1 Oct 2008 and thereafter	\$2,800.00

- (3) For an employee who retired on or after 30 September 1973 with less than 30 years of service credit, the Total Monthly Benefit shall be determined by:
- Dividing the applicable Total Monthly Benefit as determined in A-(1) or (2) of this Section by 30,
 - If the employee was under age 60 at the time of retirement, the amount determined in (3)-a shall be reduced by 1% for each month he or she was under age 60, and
 - The result shall be multiplied by the employee's service credit.

Section 8. Lump Sum Payments

- A. A lump sum payment will be made to employees who retired under the Plan on or before 30 September 2003 on the basis of \$25.00 per year of service credit with a minimum payment of \$250.00 and a maximum payment of \$750.00 on each of the following dates: 1 May 2004, 1 October 2005, 1 October 2006 1 October 2007 and 1 October 2008.

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- B. A lump sum payment will be made to the surviving spouse of an employee who died prior to 1 October 2003 and who is receiving a survivor's pension on the date of the lump sum payment or the surviving spouse of an employee who retired under Article III, Sections 1, 2 or 3 of the John Deere Pension Plan for Wage Employees prior to 1 October 2003 and who is receiving a survivor's pension on the date of the lump sum payment equal to 55 percent of the lump sum payment set forth in Paragraph (A) above that such retired employee would have been entitled to receive.

ARTICLE VII
QUALIFIED DOMESTIC RELATIONS ORDERS
TOP-HEAVY PLAN PROVISIONS

Section 1. Qualified Domestic Relations Orders

- A. Notwithstanding Section 10 of Article I or anything else in the Plan to the contrary, effective 1 January 1985, the Company may direct the Trustee to comply with a qualified domestic relations order.
- B. A "domestic relations order" is a judgment, decree or order (including approval of a property settlement agreement) made pursuant to a state domestic relations law (including a community property law) which relates to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a participant ("alternate payee").
- C. A "qualified domestic relations order" is a domestic relations order which:
- (1) creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable to a participant under the Plan;
 - (2) clearly specifies
 - a. the name and last known mailing address (if any) of the participant and the name and mailing address of each alternate payee covered by the order,
 - b. the amount or percentage of the participant's benefits to be paid by the Plan to any alternate payee, or the manner in which such amount or percentage is to be determined,
 - c. the number of payments or the period to which the order applies, and

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- d. each plan to which the order applies; and
- (3) does not require the Plan to
 - a. provide any type or form of benefit, or any option, not otherwise provided under the Plan,
 - b. provide increased benefits,
 - c. pay benefits to an alternate payee that are required to be paid to another alternate payee under a previous qualified domestic relations order, or
 - d. pay any benefits to any alternate payee before the participant's earliest retirement age (as defined in Section 2-A of Article IV).
- D. After receipt of a domestic relations order, the Company shall:
 - (1) promptly notify the affected participant and any alternate payee of the receipt of such order and the Company's procedure for determining the qualified status of domestic relations orders, and
 - (2) within a reasonable period after receipt shall determine whether the order is a qualified domestic relations order and notify the participant and each alternate payee of such determination.
- E. The Company shall establish a procedure to determine the qualified status of domestic relations orders and to administer Plan distributions in accordance with qualified domestic relations orders. Such procedure shall be in writing, shall include a provision specifying the notification requirements enumerated in the preceding paragraph, shall permit an alternate payee to designate a representative for receipt of communications from the Company and shall include such other provisions as the Company determines, consistent with Sections 401(a)(13) and 414(p) of the Code and regulations thereunder.

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- F. During any period in which the issue of the qualified status of a domestic relations order is being determined (by the Company, a court of competent jurisdiction or otherwise), the Trustee shall, upon the direction of the Company, segregate in a separate account under the Plan the amount, if any, which would have been payable to the alternate payee during such period if the order had been determined to be a qualified domestic relations order. Such segregated account under the Plan shall be held as uninvested cash.

Section 2. Top-Heavy Plan Provisions

Notwithstanding any other provisions of the Plan, the following provisions shall become effective in any plan year beginning on or after 1 November 1984 for which the Plan is determined to be a top-heavy plan.

A. Determination of Top-Heavy Status

The Plan will be considered a top-heavy plan for any plan year if as of the determination date:

- (1) the present value of the accrued benefits of the participants who are key employees exceeds sixty percent (60%) of the present value of the accrued benefits of all participants, or
- (2) the Plan is part of a required aggregation group and the required aggregation group is top-heavy.

However, the Plan shall not be considered a top-heavy plan for any plan year in which the Plan is a part of a required or permissive aggregation group which is not top-heavy.

B. Minimum Benefit

In the case of any participant who is a non-key employee, his accrued benefit at any time shall be not less than:

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- (1) two percent (2%) of his average monthly compensation during his five highest-paid consecutive years of service multiplied by
- (2) the number (not more than 10) of his years of service credit after 31 October 1984 in which the Plan is a top-heavy plan.

However, the preceding sentence shall not apply to any participant to whose account contributions and forfeitures aggregating five percent (5%) of compensation are allocated under defined contribution plans of the Company for each plan year beginning on or after 1 November 1984 for which the Plan is a top-heavy plan.

C. Minimum Vesting

A participant shall be eligible for a deferred vested pension if, while the Plan is a top-heavy plan, his employment is terminated before death or retirement after he has at least two years of service credit. The amount of the deferred vested pension shall be equal to the vested percentage of the participant's accrued benefit, determined in accordance with the following table:

Years of Service Credit	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

D. Compensation Limitation

For any plan year for which the Plan is a top-heavy plan, the compensation limitation described in Section 416(d) of the Code shall apply.

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E. Change in Top-Heavy Status

If the Plan becomes a top-heavy plan and subsequently ceases to be such:

- (1) any portion of a participant's accrued benefit that was vested in accordance with Paragraph C as of the last day of the last plan year for which the Plan was top-heavy shall remain vested, and
- (2) the vesting schedule in Paragraph C shall continue to apply in determining the deferred vested benefit of any participant who had at least five years of service credit as of that last day.

F. Impact on Maximum Annual Addition

For any plan year for which the Plan is a top-heavy plan, the limitations referred to in Section 14 of Article I shall be applied by substituting the number "1.0" for "1.25" wherever it appears in Section 415(d) of the Code.

G. Definitions, etc.

For purposes of this Section:

- (1) The term "key employee" has the meaning assigned to it by Section 416(i)(1) of the Code.
- (2) The term "determination date" means, with respect to any plan year
 - a. the last day of the preceding plan year, or
 - b. in the case of the first plan year of the Plan, the last day of such plan year.
- (3) The term "required aggregation group" includes

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- a. each qualified plan of the Company in which at least one key employee participates, and
 - b. any other qualified plan of the Company which enables a plan described in clause (a) to meet the requirements of Section 401(a)(4) or 410 of the Code.
- (4) The term "permissive aggregation group" includes the required aggregation group of plans and any other plan or plans of the Company which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.
- (5) A participant's "compensation" for any plan year is his compensation for that year as stated on his Form W-2 for the calendar year ending in that plan year.
- (6) If more than one plan is to be aggregated, the determination whether the plans are top-heavy shall be made by aggregating the accounts under all defined contribution plans and the present values of the accrued benefits under all defined benefit plans, determined separately for each plan as of the determination date for each plan that falls within the same calendar year.
- (7) For purposes of determining the present value of the accrued benefit of any participant
- a. the accrued benefit shall be calculated as of the most recent valuation date in the plan year ending on the determination date, and the present value shall be based on the actuarial assumptions used in the actuarial valuation made as of that valuation date, and
 - b. such present value shall be increased by the aggregate distributions made with respect to the participant during the five-year period ending on the determination date.

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- (8) Paragraphs B, C and D shall not apply to any employee included in a unit covered by a collective bargaining agreement if there is evidence that retirement benefits were the subject of good faith bargaining.

**ARTICLE VIII
PAYMENT OF POST-RETIREMENT
MEDICAL COSTS**

Section 1. Purpose and Scope

This Article constitutes part of the John Deere Pension Plan for Wage Employees (hereinafter referred to as the "Plan") that has been adopted by Deere & Company (the "Company") and sets forth the terms and conditions under which Eligible Retirees and their Eligible Spouses will either receive payments on their behalf from this plan or the Company, as set forth below, for the Medical Costs that are described in more detail further below. All other payments, including those for eligible dependents, will be made directly by the Company. This Article VIII will not change any of the benefit levels set forth in the Medical Plan. This retiree medical program is intended to comply with the requirements of Section 401(h) of the Internal Revenue Code and shall be interpreted and administered accordingly. Unless the context indicates to the contrary, or the provisions of this Article provide otherwise, all provisions and definitions contained elsewhere in the Plan apply to this Article.

Section 2. Special Definitions

For purposes of this Article, the following terms shall have the meaning set forth below and, while not changing any similar terms used in the body of the Plan, shall supersede any similar terms that appear in the body of the Plan.

- A. "Eligible Retiree" means each employee who is a participant in the Plan on or after 1 November 1988 and who: (1) was not eligible for early retirement under Section 2 of Article III of the Plan and will not be eligible for such early retirement prior to 1 November 1993; and (2) upon retirement under the Plan, meets any additional eligibility requirements set forth from time to time under, and therefore participates in, the Medical Plan whose premiums or other costs are to be paid in whole or in part

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by this Plan on behalf of such participant or such participant's Eligible Spouse, provided, however, that no retired participant or other participant who is a Key Employee shall be treated as a present or a future Eligible Retiree for purposes of contributions that fund a liability of the Plan to pay Medical Costs on behalf of such participant or the Eligible Spouse of such participant, and no retired participant who is a Key Employee and no Eligible Spouse of such a retired participant shall be eligible to receive payment for Medical Costs from the Plan on his or her behalf.

- B. "Eligible Spouse" means a spouse who has reached age 62 and is married to an Eligible Retiree, or a spouse who was married at the time of the Eligible Retiree's death, provided that any such spouse must also meet any additional eligibility requirements set forth from time to time under the Medical Plan in order to be an Eligible Spouse.
- C. "Maximum Amount" means the limit on monthly payments for Medical Costs payable from this Plan, as determined in accordance with Section 4 of this Article.
- D. "Medical Costs" means the payments of premiums or other costs of coverage under a Medical Plan on behalf of an Eligible Retiree and/or an Eligible Spouse in accordance with the terms of this Plan. Payments for Medical Costs will only constitute those benefits that are set forth in Section 213(d) of the Code.
- E. "Medical Plan" means the John Deere Health Benefit Plan for Wage Employees, and such other plans under which the Company provides payments for Medical Costs in the form of some or all of the premiums or other costs on behalf of Eligible Retirees and Eligible Spouses, provided that the foregoing lists shall be expanded, contracted, or otherwise changed from time to time to reflect the current lists of health care plans for which the Company pays Medical Costs in the form of some or all of the premiums or other costs on behalf of Eligible Retirees and Eligible Spouses.

Section 3. Eligibility Determined Under Medical Plan

Subject to specified limits, this Plan shall make payments toward the premiums or other costs of coverage under the Medical Plan and the costs of any claims paid by the Company under such Medical Plans in which an Eligible Retiree and/or an Eligible Spouse chooses to participate. The terms and any amendment of the terms of a Medical Plan affecting its cost, conditions of eligibility, or other matters relating to the provisions of this Plan shall automatically be incorporated in this Plan. Moreover, the ability of the Company or any participating Subsidiary to amend or terminate a Medical Plan at any time shall be determined under the provisions of the Medical Plan and any Collective Bargaining Agreements and is not limited in any way under the provisions of this Plan.

Section 4. Amount of Payments for Medical Costs

The monthly Medical Costs payable from this Plan on behalf of each Eligible Retiree and each Eligible Spouse is limited to reimbursing up to one hundred percent (100%) of annual premium or other cost of such participant under the Medical Plan but never more than the amount restricted by the Subordination of Benefits Test described in Section 401(h) of the Code. All other payments, including those for eligible dependents, will be made directly by the Company. This Article VIII will not change any of the benefit levels set forth in the Medical Plan.

Section 5. Manner of Payment of Medical Costs

Payment of Medical Costs shall be made directly from this Plan to the insurance carrier, trustee, or other proper party under the funding vehicle for the Medical Plan that covers the Eligible Retiree or Eligible Spouse on whose behalf the Medical Costs are being paid. If a self-insured Medical Plan of the Company or a participating Subsidiary has no trust or other funding vehicle, payments from this Plan may be made directly to the Company or participating Subsidiary that sponsors such Medical Plan, provided that the payments are

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then used promptly for the payment of health care benefits owed by such Medical Plan in a manner that satisfies the conditions of the Employee Retirement Income Security Act of 1974 for an exemption from the trust requirement imposed by Part 4 of Title I of such Act. No payment of monthly Medical Costs shall be made under this Plan to the extent that such payment would duplicate any similar payment for the same coverage.

Section 6. Funding For Payment of Medical Costs

Effective as provided in Section 11, and subject to the right reserved by the Company (and by the Pension Plan Investment Committee to the extent provided in Article I, Section 4) to amend or terminate the Plan (including this Article) in whole or in part (which action may cause the payment of Medical Cost obligations under this Plan to become obligations of the Company and participating Subsidiaries on behalf of the Eligible Retirees and Eligible Spouses who receive coverage under a Medical Plan), the Company and each participating Subsidiary shall make actuarially determined contributions to fund the payment for Medical Costs provided hereunder. Except as may otherwise be required by any minimum funding requirement that may be applicable to the payment of Medical Costs provided pursuant to this Article, the contributions for each year need not be made until the due date (including extensions) for filing the Company's Federal income tax return for such year. Such contributions are not intended to exceed the amount that is currently deductible under Internal Revenue Code Section 404, and are conditioned on such deductibility and subject to being returned to the employer to the full extent permitted by applicable law in the event that the intended deduction is disallowed. The payment for Medical Costs shall be subordinate to the retirement benefits provided by the Plan. In this regard, contributions shall be deemed subordinate if the aggregate contributions credited to the separate account described in Section 7 below, when added to the contributions for any life insurance protection provided under the Plan (other than any legally required spousal survivor annuity protection),

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do not, for all Plan Years beginning on or after 1 November 1988, exceed 25% of the aggregate actual contributions to the Plan (other than contributions to fund past service credit) for all such Plan Years. In no event will the contribution exceed the maximum contribution allowable under the Code that enables the payment of Medical Costs to remain subordinate to the retirement benefits provided under the Plan.

Section 7. Separate Account - Record Keeping

All contributions for the payment of Medical Costs shall be credited to a separate account which shall be maintained under the Trust Fund solely for record keeping purposes. At the time of any contribution to the Plan, the Pension Plan Investment Committee shall designate the portion of such contribution allocable to the funding of the payment of Medical Costs. In addition, the separate account shall be charged with any payment of Medical Costs under the terms of this Article. However, all funds accounted for in the separate account may, but need not be, invested together with all funds held by the Trustee under the Plan. Annual reports regarding contributions and total assets contained in this 401(h) fund will be provided to the appropriate bargaining agent.

Section 8. Expenses

All reasonable expenses of administering the separate account, including but not limited to reasonable expenses and compensation of the Trustee, the Plan's actuary, attorneys, auditors, investment advisors, investment managers, and other consultants shall be charged to the separate account established pursuant to Section 7 at the discretion of the Pension Plan Investment Committee, unless the amount of such compensation and expenses shall be separately paid by the Company and/or participating Subsidiaries.

Section 9. Non-diversion of Separate Account Assets

Trust assets allocated to the separate account for payment of Medical Costs may not be used for, or diverted to, any other purpose (including payment of pension benefits) prior to the satisfaction of all liabilities of the Plan to provide for the payment of such Medical Costs. In this regard, if (i) this Plan is terminated, (ii) the requirement that payment of Medical Costs be provided by this Plan is eliminated by amendment, or (iii) the Medical Plan is terminated, the Plan shall only be responsible for the payment of Medical Costs incurred prior to such termination or amendment. Any amounts remaining in the separate account after the satisfaction of all liabilities for Medical Costs shall be returned to the Company.

Section 10. Forfeitures

In the event the interest of Eligible Retirees or Eligible Spouses in the separate account is forfeited prior to termination of the Plan, an amount equal to the amount of the forfeiture shall be applied to reduce future contributions by the Company and participating Subsidiaries to fund such payment for Medical Costs.

Section 11. Effective Date

This Article is effective as of 1 November 1988, provided however that such Article is contingent upon the receipt of a favorable Determination Letter from the Internal Revenue Service that such Article does not adversely affect the tax qualified status of the Plan, and in the event such Letter cannot be obtained, this Article will be null and void.

APPENDIX "B"
THE HEALTH BENEFIT PLAN FOR
WAGE EMPLOYEES

ARTICLE I
GENERAL PROVISIONS

Section 1. Preamble

Deere & Company and its various U.S. subsidiaries and affiliates hereinafter designated the Company, will provide the Health Benefit Plan for Wage Employees (hereinafter referred to as the Plan). The Plan shall make available Group Hospital, Surgical, Medical, Prescription Drug Expense, Dental Expense, Vision Care Expense, and Hearing Aid Expense coverage as hereinafter set forth.

Section 2. Supplemental Medical Benefits - Occupational

A. If an employee shall be entitled to any medical care or treatment from the Company under Workers' Compensation, such medical care or treatment will be supplemented to equal benefits under the Health Benefit Plan for Wage Employees.

B. Where there is a dispute as to whether or not an injury suffered by an employee grew out of his employment with the Company, the following procedure will be followed:

With regard to medical services, the Company physicians, at their discretion, may either treat the employee, refer him to an outside physician, or permit him to go to a physician of his choice.

C. The employee will be required to sign a reimbursement form which will provide that any Workers' Compensation judgment in favor of the employee which duplicates a payment previously made by the Company will be returned to the Company by the employee, or deducted from any final settlement the Company may be required to make.

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- D. It is understood that any of the above actions taken while the dispute is pending will in no way impair the rights of the employee or the Company nor be used to prejudice the position of either.

Section 3. Claims Covered Under New Plan

The benefits provided in this Plan shall be payable with respect to any claims initially incurred on or after 1 January 2004. With respect to claims initially incurred prior to 1 January 2004, benefits will be payable as provided in the prior Agreement.

Section 4. Effective Dates of Coverage

- A. Employees shall have coverage effective the first day of the month following the date of the employee's establishment of seniority except that benefits provided under the dental, vision, and hearing provisions shall be effective on the first day of the month following attainment of one (1) year of seniority.
- B. Employees shall notify the Company within thirty (30) days of the date their dependency status changes (unless prevented from doing so because of reasons satisfactory to the Company). Upon such proper notification, coverage shall be deemed effective from the date the employee acquired the dependent. Coverage shall be effective on the date of notification if such notification occurs after 30 days.
- C. Part-time or temporary employees are not eligible for the coverage under this Plan until they become full-time employees. (This does not apply to factory bargaining units.)

Section 5. Termination

- A. Employee coverage referred to in Section 1 of this Article will terminate when the employee's employment terminates subject to the provisions of this Plan.

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B. Coverage on any dependent will cease automatically:

- (1) The date the dependent becomes covered as an employee of the Company, or
- (2) if the dependent is a spouse, on the date of divorce, or
- (3) if the dependent is a child when any such child fails to meet the definition of dependents as set forth in Article VI, or
- (4) on the date of termination of employee coverage.

C. An employee who

- (1) loses seniority through discharge, absence from work without notifying the Company as required by applicable Collective Bargaining Agreements or plant rules, or failure to return to work when called; and
- (2) is seeking to have his or her seniority reinstated through the grievance procedure,

may continue the coverage referred to in Section 1 of this Article during the period the grievance is pending and the employee contribution for such continuing coverage shall be at the appropriate rate provided that if the employee is reinstated the Company will reimburse him or her for all the contributions in respect to coverage under this Plan which the Company would have made if the employee had *remained on the active payroll.*

Section 6. Cost of Benefits

Except as otherwise specifically provided, the cost of providing benefits under this Plan will be borne by the Company and no contribution to the Plan shall be made by any employee, retired employee or beneficiary.

Section 7. Named Fiduciary and Plan Administrator

Deere & Company is the Named Fiduciary and the Plan Administrator and shall administer this Plan, except as otherwise specifically provided.

Section 8. Amendment, Modification, and Termination

A. Except as otherwise specifically provided, the Board of Directors of Deere & Company, or, to the extent so authorized by resolution of the Board of Directors, the Deere & Company Compensation Committee, may at any time amend, or modify the Plan. The procedure for amendment or modification of the Plan by either the Board of Directors or the Deere & Company Compensation Committee, as the case may be, shall consist of: the lawful adoption of a written amendment or modification to the Plan by majority vote at a validly held meeting or by unanimous written consent, followed by the filing of such duly adopted amendment or modification by the Secretary with the official records of the Company. However, no change shall reduce the amount of any benefit to which an employee, retired employee, or beneficiary shall be entitled in respect to claims incurred prior to the effective date of such change.

B. Suspension or Termination

Except as otherwise specifically provided, the Board of Directors of Deere & Company may at any time suspend or terminate the Plan. However, no change shall reduce the amount of any benefit to which an employee, retired employee, or beneficiary shall be entitled in respect to claims incurred prior to the effective date of such change.

Section 9. Funding

Except as otherwise specifically provided, benefits shall be provided through an insurance company selected by Deere & Company, a fund established by Deere & Company, or from the general assets of Deere & Company.

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Section 10. Claim for Benefits

An employee, retiree or beneficiary will not need to file a claim for benefits if services are received from a participating provider. No claim for benefits must be filed if services are received from participating providers. Network physicians, hospitals, pharmacies, and other health care providers will bill the Plan directly. However, in order for any employee, retiree, or beneficiary to receive benefits for services rendered by a non-participating provider, a claim for benefits must be filed. A claim for benefits must also be filed for dental services. The process for claiming benefits is described in the Summary Plan Description.

Section 11. Denial of Benefits

- A. When a claim for benefits is denied in whole or in part, the claimant will receive a written notice of the reason or reasons for such denial, as described in the Summary Plan Description.
- B. The Plan provides an appeal process for claims that have been denied in whole or in part. The claims appeal process is described in the Summary Plan Description.

Section 12. Managed Care Organizations

A Managed Care Organization (MCO) which is authorized to deliver comprehensive health maintenance and treatment services to enrolled participants and which is approved by the Company, may be offered as an alternative to the benefits provided under this Plan.

During prescribed enrollment periods, an employee may elect to continue as a participant in this Plan or may elect to become a participant in an approved MCO, provided the employee resides in the geographic area in which the MCO provides services.

Section 13. Nonassignability of Benefits

An employee, retired employee, or covered dependent may authorize that payment of benefits otherwise payable to the employee or retiree, may be made directly to the provider. However, in so authorizing direct payment to the provider, an employee or retiree shall not transfer the right to appeal, representation, or any other rights conferred by this plan, to the provider.

Section 14. Provider Exclusion

In providing health benefits, the Company's objective is to obtain high quality medical care on a cost effective basis for employees, retirees and dependents. With that objective in mind, the Company may exclude any provider. Exclusion means that the Company will not pay a provider and/or will not reimburse employees, retirees and dependents for services and supplies provided by an excluded provider.

Section 15. John Deere Traditional Option

- A. The John Deere Traditional option of this Health Benefit Plan for Wage Employees will be available for eligible employees, eligible retirees, eligible surviving spouses and their dependents who have established a primary residence in the United States that fails to meet the provider access and quality standards of the National Committee for Quality Assurance (NCQA) as set forth in the letter on PROVIDER NETWORK(S):
- B. All provisions as outlined in Appendix "B" will apply to the John Deere Traditional option except as follows:
 - (1) Office visits with applicable copayments are not covered.
 - (2) Emergency room copayment will not apply. Benefits will be paid at 100% of allowed covered charge.
 - (3) Allergy injections are not covered.

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- (4) Maternity and obstetrical services for dependents, other than a spouse, are not covered.
- (5) Covered preventive care will be limited to pap smears and mammograms.
- (6) Reasonable and customary provisions will apply to all covered services. Reasonable and customary is defined as the portion of any charge which is not in excess of the charge made for similar services and supplied to individuals of similar age, sex, circumstances and medical condition in the locality concerned. The provisions of the letter on DEFENSE AGAINST EXCESSIVE DENTAL CHARGES shall apply to medical charges incurred under the John Deere Traditional Option.
- (7) Network restrictions do not apply to covered benefits except for mental health/substance abuse and organ transplants.
- (8) In addition to pharmacy copayments for Covered Prescription Drugs through a participating retail pharmacy or mail order provider, pharmacy copayments will apply to a 34-day supply of Covered Prescription Drugs filled through any non-participating pharmacy.
- (9) The special exception for treatment at Mayo Clinic (Rochester) and University of Iowa hospitals will require a referral letter from the patient's physician.

Section 16. Dependents Residing in Other Areas

Dependents of employees and retirees who do not reside in the same service area as the employee or retiree, and who permanently reside in an area that does not have the health benefit option available in which the employee or retiree is enrolled, shall be allowed to enroll in health benefit option(s) that are available in the area where the dependent resides.

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Section 17. Health Benefit Plan

The following health benefits are available to employees and to their dependents:

- A. Hospital, Surgical, Medical, and Prescription Drugs through a quality, cost effective network(s) as determined by the Company for each service area:

- (1) In-Network

- a. After \$10 copayment for a primary care office visit or \$10 copayment for a specialist office visit, 100% paid for covered in-network office visit.
 - b. 100% paid for other covered in-network medical plan services.

- (2) Emergency Room Services

After \$10 copayment for an emergency room visit, 100% paid for covered emergency room services.

- (3) Point of Service

- a. Based on 80% of Maximum Allowable Benefit with 20% coinsurance paid by the employee after satisfying a \$250 per individual deductible or \$500 per family deductible per calendar year. Employee coinsurance and deductible payments will not exceed \$1,000 for an individual or \$2,000 for a family per calendar year.
 - b. Benefits not covered under Point of Service are Preventive Care, Durable Medical Equipment, Prosthetic Devices, Hospice, Organ Transplants, and Mental Health/Substance Abuse.

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(4) In-Network Covered Prescription Drugs

After \$5 copayment for in-network generic prescriptions or \$15 copayment for in-network brand prescriptions, 100% paid for Covered Prescription Drugs.

B. Dental:

- (1) 100% coverage for preventive services.
- (2) 100% coverage for basic services such as fillings, inlays, crowns, extractions, and oral surgery.
- (3) 50% coverage for the major services of dentures, orthodontia, and bridgework.
- (4) Benefit payable subject to Article XIII, Section 3, Indemnity Limit.

C. Vision:

(1) A Preferred Provider Arrangement (where available)

After \$5 copayment for examination by an ophthalmologist or optometrist, 100% paid for covered examinations. After \$10 copayment for single vision lens, bifocal vision lens, trifocal vision lens, and lenticular vision lens, 100% paid for covered lenses. After \$50 copayment for contact lenses, 100% paid for covered contact lenses. After \$10 copayment for frames, 100% paid for covered frames; or

(2) Scheduled Benefits

Scheduled benefits providing \$43.70 for examination by an ophthalmologist, \$35.00 for examination by an optometrist, \$25.80 for frames, \$18.50 per lens for single vision, \$27.25 per lens for bifocal, \$36.00 per lens for trifocal, \$44.70 per lens for lenticular, and \$27.25 per lens for contact lens.

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- (3) Benefits provided once every 24-month period (12 months for examination and lenses for dependents under age 17).

D. Hearing:

- (1) A Preferred Provider Arrangement (where available)

100% paid for covered audiometric exam, covered hearing aid evaluation, pre-determined hearing aids (single and binaural), and dispensing fees, or

- (2) Scheduled Benefits

Scheduled benefits providing \$30.00 for audiometric exam, \$40.00 for hearing aid evaluation, \$225.00 for a hearing aid, \$125.00 for a hearing aid dispensing fee, \$450.00 for binaural hearing aids, and \$190.00 for binaural hearing aid dispensing fee.

- (3) Benefits provided every 36 months.

**ARTICLE II
CONTINUATION OF HEALTH COVERAGE**

**Section 1. Leave of Absence for Employees Hired Prior to
1 October 1997**

- A. An employee not actively at work due to leave of absence may continue coverage for a maximum of twelve (12) months on the following basis:
- (1) During the first six (6) months of such leave, the employee will pay fifty (50) percent of the premium and the Company will pay the remaining fifty (50) percent of the premium. During the subsequent six (6) months of the leave, the employee will be required to pay the full premium.
 - (2) Employees not actively at work due to leave of absence for Local Union business may continue coverage beyond twelve (12) months for the duration of the leave of absence by paying the full premium.
- B. If an employee is granted a leave of absence due to a clinically anticipated disability based on the natural course of the employee's diagnosed condition and if such employee continues coverage during such approved leave of absence as provided in Paragraph A-(1) of this Section, upon medical certification satisfactory to the Company from the employee's attending physician that the employee is totally disabled, coverage for the employee will be continued as provided in Section 6 of this Article.

**Section 2. Union Leave of Absence for Employees Hired
on or after 1 October 1997**

Employees not actively at work due to leave of absence for Local Union business will have coverage for six (6) months with fifty (50) percent of the premium being paid by the employee and the remaining fifty (50) percent being paid by the Company. Thereafter, the employee may continue coverage for the duration of the leave of absence by paying the full premium.

APPENDIX "B" - ARTICLE II

Section 3. Layoff

- A. An employee with seniority but not actively at work due to layoff will have coverage subject to nonduplication of benefits continued for a period of time which will be determined by the number of weeks the employee is eligible for Supplemental Unemployment Benefits (SUB) at the date of layoff, in accordance with the provisions of the Supplemental Unemployment Benefit Plan, but in no event will such period be less than six (6) months or exceed twelve (12) months from the date of layoff.
- B. An employee who is employed under the provisions of Article XIV, Section 9 or 10 of the Agreement and who:
- (1) has been employed at a secondary unit for twelve (12) months or more, and
 - (2) has an employment relationship with an original (home) unit, and
 - (3) is subsequently terminated from the secondary unit,
- will have coverage continued as provided for in Paragraph A above.
- C. Following the expiration of the period of time coverage was continued under A or B above, the employee may continue coverage for a period of twelve (12) additional months by payment of the full premium.

Section 4. Notice of Termination to Laid Off Employees

Notice will be given to employees at least sixty (60) days prior to termination of their coverage notifying them of the date coverage will terminate and of the provisions for continuation of coverage as provided.

APPENDIX "B" – ARTICLE II

Section 5. Work Stoppages

- A. In the event of a work stoppage, an employee involved in such work stoppage will be required to contribute the full premium for coverage if such work stoppage continues beyond ten (10) consecutive workdays from the date the work stoppage commenced. Coverage provided in this Plan will then terminate unless the employee contributes the full premium in advance to the Company. In the event that the employee returns to work prior to the end of the month for which he or she has contributed the full premium, the Company will reimburse, on a daily prorated basis, the unused portion of the full premium. An employee who does not contribute, as required, to continue coverage in effect will be eligible for coverage upon return to work.
- B. The employee contributions for the premium charge in A above may be paid by the Union.

Section 6. Illness or Accident

The coverage of an employee not actively at work because of illness or accident will be continued at no cost to the employee during such illness or accident or for a period of time equal to the employee's continuous employment, whichever is lesser, but in any event not less than fifty-two (52) weeks. An employee or a retired employee will have coverage continued while eligible to receive long-term disability benefits as set forth in the John Deere Disability Benefit Plan for Wage Employees.

Section 7. Employees Hired Prior to 1 October 1997 Receiving Life Insurance in Monthly Installments

An employee receiving Life Insurance in monthly installments under the John Deere Group Life and Disability Insurance Plan for Wage Employees will have the benefits outlined in this Plan continued by the Company without cost to the employee. While such benefits are in effect for such employee, they will be continued for the employee's eligible dependents.

APPENDIX "B" – ARTICLE II

Section 8. Retirement for Employees Hired Prior to 1 October 1997

An employee who is retired or retires under the John Deere Pension Plan for Wage Employees except under Article III, Section 5 will have the benefits outlined in this Plan continued by the Company without cost to the employee. While such benefits are in effect for the retired employee they will be continued for the employee's dependents without cost.

Section 9. Surviving Spouse of an Employee Hired Prior to 1 October 1997

- A. The surviving spouse of an employee not eligible to retire under the John Deere Pension Plan for Wage Employees at the time of death and who is receiving a Transition Survivor Income Benefit and not eligible for a Bridge Survivor Income Benefit may continue coverage for two years upon payment of the full monthly group rate.
- B. The surviving spouse of an employee not at work on or after 1 October 1994 and not eligible to retire under the John Deere Pension Plan for Wage Employees at the time of death which occurs on or after 22 October 1979 and who is eligible to receive both a Transition and Bridge Survivor Income Benefit will have the coverage continued by the Company without cost for a period of six (6) months. Thereafter, the surviving spouse may continue coverage to age 62, even though temporarily ineligible for a Bridge Survivor Income Benefit because she is eligible for Mother's Insurance Benefits under the Federal Social Security Act, upon payment of the full monthly group rate. For the surviving spouse of an employee who is at work on or after 1 October 1994, health benefits will be continued without cost for a period of twelve (12) months.
- C. The surviving spouse of a retired employee or the surviving spouse of an employee who was eligible to retire under the John Deere Pension Plan for Wage Employees at the time of death will have the benefits outlined in this Plan

APPENDIX "B" – ARTICLE II

continued by the Company without cost provided such spouse was covered under the Health Benefit Plan. While such benefits are in effect for the surviving spouse, they will be continued for such spouse's dependents.

- D. If an employee dies as a result of a work incurred accident or illness, the surviving spouse not eligible under Paragraph C above, will have the benefits outlined in this Plan continued by the Company without cost. Such benefits will cease on the first to occur of the surviving spouse's remarriage, attainment of an age when such surviving spouse is eligible for Medicare, or death.
- E. If an employee dies as a result of a work incurred accident or illness and there is no surviving spouse, the legal guardian of the employee's eligible dependent children may continue the benefits outlined in this Plan for such dependents by payment of the full monthly premium.
- F. For the purpose of A, B, C, and D above, coverage will apply to the surviving spouse and the employee's or retiree's eligible dependents as defined in Article VI. No benefit will be payable with respect to a pregnancy commencing after the death of the employee.

Section 10. Special Continuation Provisions

- A. Notwithstanding other continuation provisions of this Plan, effective with events described in B and C below that occur on or after 1 November 1986 if an employee or an employee's dependent loses coverage under this Plan, such employee or dependent may be eligible for additional continuation of coverage under this Plan by payment of up to 102% of the full monthly premium. The minimum continuation provisions provided under this Section are not in addition to the continuation provisions otherwise provided by this Plan.

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B. A minimum continuation period of eighteen (18) months will be provided for an employee and an employee's dependents whose coverage would otherwise have terminated as a result of

- (1) termination of the employee for reasons other than gross misconduct; or
- (2) layoff.

C. A minimum continuation period of thirty-six (36) months will be provided for an employee's dependents whose coverage would otherwise have terminated as a result of

- (1) the death of an employee;
- (2) the divorce from an employee;
- (3) ceasing to meet the definition of an eligible dependent.

D. The continuation privilege provided in this Section may be terminated before the expiration of the eighteen (18) or thirty-six (36) month continuation period if

- (1) the Company ceases to provide coverage to its employees;
- (2) the covered person fails to make timely premium payments;
- (3) the covered person becomes a participant in another group health plan;
- (4) the covered person becomes eligible for Medicare; or
- (5) a spouse remarries and becomes covered under another group health plan.

**ARTICLE III
PREMIUM RATES**

When an employee is required to make premium payments to continue health benefits, such payments must be made prior to the first of the month for which it is paid. Rates will be determined annually and become effective 1 January of each year.

**ARTICLE IV
SPONSORED DEPENDENTS**

Section 1. Eligibility

- A. Dependent coverage as provided in this Plan other than maternity benefits shall be available to employees for their sponsored dependents. A sponsored dependent means any person, other than a dependent as defined in Article VI of this Plan, who is a member of the employee's household and who is dependent on the employee for more than one-half of his support as defined by the Internal Revenue Code of the United States and who either qualifies in the current year for dependency tax status or who has been reported by the employee as such on his most recent Federal Income Tax Return. An employee must request coverage for each sponsored dependent (1) at the time the employee becomes insured, or (2) within thirty-one (31) days of acquiring a sponsored dependent and certify that the person he is enrolling is his dependent under the above definition. If an employee does not request coverage for sponsored dependents within the time limits above, he may obtain coverage only upon presentation of evidence of good health of the sponsored dependent which is satisfactory to the Company.
- B. Retired employees shall be deemed employees for the purpose of Paragraph A above.
- C. Coverage for a sponsored dependent enrolled at the time of an employee's or retired employee's death may be continued at the option of the surviving spouse while such spouse is enrolled for coverage by paying the required premium.
- D. The Company may require from time to time that the employee furnish proof of the continued dependency of any sponsored dependent.

APPENDIX "B" – ARTICLE IV

Section 2. Premium Rate

- A. The employee will be required to pay the full cost of the dependent coverage for his sponsored dependents. The *monthly contribution will be deducted from the employee's pay.* For any month in which such deduction cannot be made from the employee's pay, the employee must pay the premium in advance.
- B. The retired employee or surviving spouse will be required to pay the premium in advance for the dependent coverage for the sponsored dependents.
- C. Coverage for sponsored dependents will begin on the first day of the month following the first deduction or payment of the required monthly premium.

Section 3. Termination of Coverage

Sponsored dependents' coverage shall terminate on the earliest of the following:

- A. The end of the month in which the employee, retired employee or surviving spouse files a request to cancel such coverage.
- B. The end of the last month for which contribution was paid.
- C. The date the employee's coverage terminates.
- D. The date the sponsored dependent ceases to meet the dependency requirement.
- E. The first of the month in which the sponsored dependent becomes eligible for coverage under Medicare as defined in this Plan.

**ARTICLE V
PRIVILEGE OF OBTAINING
INDIVIDUAL INSURANCE**

An individual policy may be obtained without further evidence of insurability upon termination of coverage under this Plan.

- A. due to termination of the employee's employment in the classes eligible for coverage hereunder, or
- B. due to the death of the employee while the employee is covered for dependents coverage hereunder, or
- C. with respect to a child of the employee, due to such child's ceasing to be dependent, as defined herein

provided the applicant qualifies, makes application and pays the premium for such individual policy within thirty-one (31) days after such termination of coverage.

Information as to the coverage available and premium rates can be obtained from the Company when coverage terminates.

**ARTICLE VI
DEFINITIONS**

Section 1. Hospital

The term "hospital" as used herein means

A. An institution which meets all of the following tests:

- (1) It is engaged primarily in providing medical care and treatment of sick and injured persons on an inpatient basis at the patient's expense and maintains diagnostic and therapeutic facilities for surgical and medical diagnosis and treatment of such persons by or under the supervision of a staff of duly qualified physicians;
- (2) It continuously provides twenty-four (24) hour a day nursing service by or under the supervision of registered graduate nurses and is operated continuously with organized facilities for operative surgery; and
- (3) It is not, other than incidentally, a place of rest, a place for the aged, a place for drug addicts, a place for alcoholics, or a nursing home.

B. A hospital, other than a psychiatric hospital or a tuberculosis hospital as those terms are defined in Medicare, which is qualified to participate and eligible to receive payments under and in accordance with the provisions of Medicare.

Section 2. Medicare

The term "Medicare" as used herein means the Health Insurance for the Aged Program under Title XVIII of the Social Security Act as such program is currently constituted and as it may be later amended.

Section 3. Room and Board Charges

"Room and board charges" as used herein mean all charges for room, board, general duty nursing, intensive care in an intensive care unit, and any other charges by whatever name such charges are called, which are made by the hospital at a daily or weekly rate, or which are regularly made by the hospital as a condition of occupancy of the class of accommodations occupied but not including charges for professional services of physicians nor charges for private duty or special nursing services rendered outside of an intensive care unit.

Section 4. Dependent

A. The term "dependent" as used herein is limited to

- (1) the spouse of an employee;
- (2) the employee's unmarried children under nineteen (19) years of age;
- (3) the employee's unmarried children legally residing with and dependent upon the employee for more than one-half of their support as defined by the Internal Revenue Code of the United States of America, who qualify in the current year for dependency tax status or have been reported as a dependent on the employee's most recent Income Tax Return; and
 - a. who are nineteen (19) years of age or over but under twenty-five (25) years of age; or
 - b. who are permanently and totally disabled regardless of age.

B. The term "unmarried children" shall include natural born, legally adopted, those for whom legal adoption proceedings have been initiated, and stepchildren. Unmarried children shall also include children under nineteen (19) years of age, dependent on the employee for more than one-half of their support as defined by the Internal Revenue Code of

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the United States of America, who either qualify in the current year for dependency tax status or who have been reported as such by the employee on his most recent *Federal Income Tax Return*, who reside in the household of which the employee is the head, and who are related by blood or marriage to the employee, or are under such employee's legal guardianship.

- C. For employees hired on or after 1 October 1997 a dependent shall not include a person who otherwise has coverage under this plan, i.e., a person who is covered as an employee or a person who is a dependent of another employee.

Section 5. Permanently and Totally Disabled

The term "permanently and totally disabled" as used herein means any medically determinable physical or mental condition which prevents the dependent, age twenty-five (25) or over, from engaging in substantial gainful activity and which can be expected to result in death or to be of long continued or indefinite duration.

Section 6. Mental or Nervous Disorder

The term "mental or nervous disorder" as used herein means neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder of any kind as set forth in the International Classification of Diseases of the U. S. Department of Health, Education and Welfare (V, Mental Psychoneurotic, and Personality Disorders, 300-329 as amended).

Section 7. Psychiatric Services

The term "psychiatric services" as used herein shall be deemed to include all accepted forms of diagnosis, evaluation and/or treatment of mental and nervous disorders.

Section 8. Psychiatrist

The term "psychiatrist" as used herein means

- A. a medical doctor who is qualified and licensed to practice medicine and surgery and who is certified or eligible for certification in psychiatry by the American Board of Psychiatry and Neurology, or
- B. a medical doctor who has completed an approved residency training program in psychiatry.

Section 9. Psychologist

The term "psychologist" as used herein means an individual

- A. who is licensed or certified as a psychologist by the appropriate governmental authority having jurisdiction over such licensing or certification, as the case may be, in the jurisdiction where such individual renders service, or
- B. who is a Member or Fellow of the American Psychological Association or who is identified as a qualified clinical psychologist by the American Board of Examiners in Professional Psychology, if there is no licensing or certification in the jurisdiction where such person renders service.

Section 10. Medical Doctor

The term "medical doctor" as used herein is limited to an individual who holds a Doctor of Medicine degree and is entitled to use the abbreviation (M.D.), and practices medicine within the scope of his license.

Section 11. Outpatient Psychiatric Clinic

The term "outpatient psychiatric clinic" as used herein means an institution or a distinct part of an institution, public or private, other than the office of a physician, which

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- A. provides outpatient services for persons with mental or nervous disorders,
- B. is serviced by a psychiatrist who has regularly scheduled hours in such clinic and who assumes medical responsibility for all patients, and
- C. meets the minimum standards established by the American Psychiatric Association in its Standards for Psychiatric Hospitals and Clinics.

Section 12. Day Care Center

The term "day care center" as used herein means an institution or distinct part of an institution which meets all of the following tests:

- A. It is engaged primarily in providing care and treatment of persons with mental or nervous disorders through a planned therapeutic program and maintains diagnostic and therapeutic facilities for the diagnosis and treatment of such persons.
- B. It is operated under the supervision of a psychiatrist who has regularly scheduled hours at such center or under the direction of a psychiatrist who acts as consultant to the staff of the center on a regularly scheduled basis and which has other qualified mental/ health professionals necessary for adequate psychiatric care.
- C. It is not other than incidentally a school, a place for custodial care, a recreation or training center.
- D. When separate from a hospital, it is approved by the state health and/or mental hygiene department.

Section 13. Night Care Center

The term "night care center" as used herein is limited to a distinct part of a hospital which provides for the diagnosis, care and treatment of persons with mental or nervous disorders, during the evening or night hours.

Section 14. Community Mental Health Center

The term "community mental health center" as used herein means an institution or distinct part of an institution as defined by the federal government in the Community Mental Health Centers Act of 1963.

Section 15. Qualified Nursing Home

The term "qualified nursing home" as used herein means

- A. Only an institution or distinct part of an institution which meets fully every one of the following tests:
- (1) It is operated in accordance with the applicable laws of the jurisdiction in which it is located;
 - (2) It is under the supervision of a duly qualified physician, or registered graduate nurse (R.N.), who is devoting full time to such supervision;
 - (3) It is regularly engaged in providing room and board and continuously provides twenty-four (24) hour a day nursing care for sick and injured persons at the patient's expense;
 - (4) It maintains a daily medical record of each patient who is under the care of a duly qualified physician;
 - (5) It is authorized to administer medication to patients on the order of a duly qualified physician;
 - (6) It is not, other than incidentally, a place of rest, a home for the aged, the blind or the deaf, a hotel, a domiciliary care home, a maternity home, or a home for alcoholics, drug addicts, the mentally ill or tubercular patients;
 - (7) It is accredited by the Joint Commission on Accreditation of Hospitals; and

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- (8) It has a transfer agreement in effect with one or more hospitals; or
- B. An institution or distinct part of an institution which is qualified to participate and eligible to receive payments as an Extended Care Facility under and in accordance with the provisions of Medicare.

Section 16. Other Group Plan

The term "Other Group Plan," as used herein, means any plan of another employer providing benefits or services for or by reason of medical care or treatment which benefits or services are provided on an insured or uninsured basis in connection with an employee's or an employee's dependent's employment, occupation or profession.

In the case where both the husband and wife are employees of the Company, the phrase "other group plan" shall include any health benefit plan of the Company.

Section 17. Allowable Expense

The term "Allowable Expense," as used herein, means any reasonable and customary charge which the employee or dependent is legally required to pay for an item of medical expense at least a portion of which is covered under either this Plan or any other Group Plan of another employer covering the person for whom claim is made. If benefits are provided in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be considered both an Allowable Expense and a benefit paid.

Section 18. Claims Determination Period

The term "Claims Determination Period," means a calendar year or that portion of a calendar year during which the person for whom claim is made has been insured under this Plan.

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Section 19. Ophthalmologist

The term "Ophthalmologist" as used herein means any licensed doctor of medicine or osteopathy legally qualified to practice medicine, including the diagnosis, treatment, and prescribing of lenses related to conditions of the eye.

Section 20. Optometrist

The term "Optometrist" as used herein means any person legally licensed to practice optometry as defined by the laws of the state in which the service is rendered.

Section 21. Optician

The term "Optician" as used herein means any person who makes or sells eyeglasses prescribed by an Ophthalmologist or Optometrist to cure or correct defects in the eyes, and grinds lenses or has lenses ground according to prescription.

Section 22. Lenses

The term "Lenses" as used herein means ophthalmic corrective lenses ground as prescribed by an Ophthalmologist or Optometrist, to be fitted into a frame.

Section 23. Contact Lenses

The term "Contact Lenses" as used herein means ophthalmic corrective lenses ground as prescribed by an Ophthalmologist or Optometrist, to be fitted directly to the patient's eyes.

Section 24. Frame

The term "Frame" as used herein means a standard eyeglass frame into which two lenses are fitted.

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Section 25. Otolologist or Otolaryngologist

The term "otologist or otolaryngologist" as used herein means any person who is board certified or eligible for certification in his specialty in compliance with standards established by his respective professional sanctioning body, who is a licensed doctor of medicine or osteopathy legally qualified to practice medicine and who, within the scope of his license, performs a medical examination of the ear and determines whether the patient has a loss of hearing acuity and whether the loss can be compensated for by a hearing aid.

Section 26. Audiologist

The term "audiologist" as used herein means any person who (1) possesses a master's or doctorate degree in audiology or speech pathology from an accredited university, (2) possesses a Certificate of Clinical Competence in Audiology from the American Speech and Hearing Association, and (3) is qualified in the state in which the service is provided to conduct an audiometric examination and hearing aid evaluation test for the purposes of measuring hearing acuity and determining and prescribing the type of hearing aid that would best improve the covered person's loss of hearing acuity. Where an otologist or otolaryngologist performs the foregoing services, he shall be deemed an audiologist for the purposes of this Plan.

Section 27. Dealer

The term "dealer" as used in Article XXI means any person or organization that sells hearing aids prescribed by an otologist, otolaryngologist or audiologist to improve hearing acuity in compliance with the laws or regulations governing such sales, if any, of the state in which the hearing aids are sold.

Section 28. Hearing Aid

The term "hearing aid" as used herein means an electronic device worn on the person for the purpose of amplifying sound and assisting the physiologic process of hearing, and includes an ear mold, if necessary.

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Section 29. Ear Mold

The term "ear mold" as used herein means a device of soft rubber, plastic or a non-allergenic material which may be vented or nonvented that individually is fitted to the external auditory canal and pinna of the patient.

Section 30. Audiometric Examination

The term "audiometric examination" as used herein means a procedure for measuring hearing acuity that includes tests relating to air conduction, bone conduction, speech reception threshold and speech discrimination.

Section 31. Hearing Aid Evaluation Test

The term "hearing aid evaluation test" as used herein means a series of subjective and objective tests by which an otologist, otolaryngologist or audiologist determines which make and model of hearing aid will best compensate for the covered person's loss of hearing acuity and which make and model will therefore be prescribed, and shall include one visit by the covered person subsequent to obtaining the hearing aid for an evaluation of its performance and a determination of its conformity to the prescription.

Section 32. Primary Care Physician

The term "primary care physician" as used herein means a licensed physician (M.D., D.O.) (1) whose declared practice is internal medicine, family/general practice, or pediatrics; (2) who practices within the scope of his license; and (3) who is not a Specialist Physician.

Section 33. Specialist Physician

The term "specialist physician" as used herein means a licensed physician (M.D., D.O.) (1) whose declared practice is limited to treating a specific disease, specific parts of the body, or specific procedures; (2) who practices within the scope of his license; and (3) who is not a Primary Care Physician.

Section 34. Maximum Allowable Benefit

The term "maximum allowable benefit" as used herein means the plan benefit payment accepted by in-network providers in the patient's region for similar covered services and supplied to individuals of similar age, sex, circumstances and medical condition.

**ARTICLE VII
HOSPITAL EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS**

Section 1. For Daily Room and Board Expense

- A. Benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services if an insured employee or an insured employee's dependent shall be confined upon the recommendation of a physician as a resident patient in a hospital on account of accidental bodily injury or sickness not hereinafter excepted and such confinement shall begin:
- (1) While such person is covered under this Article, or
 - (2) Within three (3) months from the date such person ceases to be covered under this Article provided such person shall have been totally disabled by bodily injury or sickness at the date he shall have ceased to be covered under this Article, and shall have been continuously so disabled to the date of commencement of such confinement.
- B. The benefits will be paid for room and board of such person up to the maximum daily benefit hereinafter specified for each of the first three hundred sixty-five (365) days of such confinement during any one (1) period of disability.
- C. The number of days for which benefits are provided under B above will be reduced by the number of days for which benefits were paid during the same period of disability under Article XIV hereof.
- D. The maximum daily benefit shall be:
- (1) For any day that private accommodations, intensive care unit accommodations, or isolation facilities are not occupied, an amount equal to the hospital's regular daily rate for the accommodations occupied.

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- (2) For any day that private accommodations are occupied, an amount equal to the hospital's most frequent charge for semiprivate accommodations. If it is certified in writing by the Admitting Office of the hospital that semiprivate accommodations were not available at the time of admission, then for the day or days that semiprivate accommodations were not available, an amount equal to the hospital's regular daily rate for the lowest priced private accommodation available.
- (3) For any day that intensive care unit accommodations or isolation facilities are required, an amount equal to the hospital's regular daily rate for such accommodations.

The benefits will be paid for isolation facilities when such facilities are required by either the hospital and/or the attending physician. The isolation facilities will be considered "as required" until such time as a definitive diagnosis is made by either the hospital or the attending physician that isolation is no longer required.

To illustrate, suppose an employee is hospitalized with a suspected infectious condition and is placed in isolation. The benefits will be paid for the isolation facilities until the end of the day during which the definitive diagnosis is reached that the infectious condition requiring isolation no longer exists.

Another illustration would be the situation where an employee is hospitalized with a broken leg, and during the course of his confinement develops an infectious condition requiring isolation. Again, the benefits will be paid for the isolation facilities beginning at the time they are required and until such time as the definitive diagnosis is made stating that the infectious condition no longer exists.

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- (4) For any day that intensive care unit accommodations are required in a hospital that does not have intensive care facilities, an amount equal to the hospital's regular daily rate for the accommodations occupied. This requirement must be certified by the attending physician.

Section 2. For Additional Fees

A. Miscellaneous Fees

If an insured employee or an insured employee's dependent on any day of hospital confinement for which benefits are payable under Section 1 of this Article shall necessarily receive medical care and treatment, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services subject to the provisions hereinafter contained, for:

- (1) the charges made by the hospital for such care and treatment of such person (except charges for room and board, nursing care and attendance by a physician) including, but without limitation thereto, charges for blood transfusions, blood plasma, blood serums, and X-rays;
- (2) charges for anesthesia administered during such hospital confinement;
- (3) charges for screening X-rays and public health test where required by the hospital; and
- (4) charges by radiologists, pathologists, and other hospital based physicians to the extent such charges are not hospital charges.

B. Ambulance Service

If an insured employee or an insured employee's dependent shall necessarily require a professional ambulance service (including an ambulance operated by a hospital), benefits will be paid 100% for covered services when:

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- (1) a person is taken to a hospital and is confined, or from hospital to hospital if the services required are not available at the first hospital;
- (2) there is emergency medical care and treatment on account of bodily injury suffered in an accident;
- (3) there is medical care and treatment within 72 hours of and in connection with a surgical operation;
- (4) there is medical care and treatment secured immediately after the onset of a (nonsurgical) Medical Emergency;
- (5) a person is taken to a hospital and is dead on arrival (DOA);
- (6) a person is taken from hospital to home or nursing home when it is deemed medically necessary - such as but not limited to, being in a full body cast; and
- (7) a person is taken by air ambulance to a hospital for any of the reasons stated in (1) through (6) above, and
 - a. such method of transportation is medically required by the attending physician, i.e., because of the individual's medical condition and transportation cannot be used, and
 - b. such method of transportation is in fact an ambulance service and not a charter service.

In no event shall the benefit paid exceed the charge by the professional ambulance service for conveyance to the nearest facility equipped and staffed to provide the necessary emergency, surgical, or rehabilitative treatment nor shall any benefit be payable with respect to any such charges incurred after the first 365 days of hospital confinement during any one continuous period of disability.

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C. Inpatient Hemodialysis

If an insured employee or an insured employee's dependent shall necessarily receive Hemodialysis Treatment, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.

The benefit includes the use of the machine and other required physical equipment, such as all consumable and expendable supplies, solutions, drugs and laboratory tests; trained staff; and other hospital services as may be required, except the physician's professional services which shall be provided under the provisions of Section 1 of Article IX, including the diagnostic and supportive studies and treatment prior to kidney transplant.

Section 3. For Maternity Expense

Benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services, subject to the provisions hereinafter contained as specified in Sections 1 and 2 of this Article, if an insured employee or an insured employee's dependent shall be necessarily confined upon the recommendation of a physician as a resident patient in a hospital on account of pregnancy, childbirth or miscarriage, and such confinement shall begin:

- A. While such person is covered under this Article; or**
- B. Within nine (9) months from the date such person ceases to be covered under this Article, provided such confinement results from pregnancy which existed at such date and which pregnancy commenced while such person was covered under this Article, as evidenced by a written statement of the attending physician.**

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Section 4. Organ or Tissue Transplants

If an insured employee or insured employee's dependent shall be confined upon the recommendation of a physician as a resident patient in a hospital for the purpose of being a donor for an organ or tissue transplant surgical procedure or if any other person shall be so confined for the purpose of being a donor for an insured employee or an insured employee's dependent, the benefits provided in Sections 1 and 2 of this Article shall be payable provided the donor is not otherwise eligible for hospital insurance benefits under the Company's plan, the plan of any other company or otherwise. If an insured employee or an insured employee's dependent shall be confined as set out above for the purpose of being a donor, the benefits provided in Sections 1 and 2 of this Article will not be paid if the donee has hospital insurance which will cover the donor.

Section 5. Jejunoleostomy and Incidental Lipectomy

If an insured employee or an insured employee's dependent shall incur hospital charges for jejunoileostomy and incidental lipectomy the benefits provided in Sections 1 and 2 of this Article will be paid for patients where all of the following criteria have been met:

- A. Massive obesity - preferably a body weight over 100 lbs. over optimal weight.
- B. Medical complications secondary to the obesity such as hypertension, diabetes, serious venous stasis, hyperlipidemia, etc.

It is understood that the operation is not performed for cosmetic reasons.

Section 6. For Outpatient Expense

A. Emergency Room

Benefits as set forth below will be paid 100% for covered services after \$10 emergency room visit copayment if an insured employee or an insured employee's dependent shall necessarily receive in a hospital:

- (1) Emergency medical care and treatment on account of bodily injury not hereinafter excepted suffered by such person in an accident.
- (2) Medical care and treatment within seventy-two (72) hours of and in connection with a surgical operation.
- (3) Medical care and treatment secured immediately after the onset of a (nonsurgical) medical emergency or as soon thereafter as the care can be made available.

A "Medical Emergency" is the sudden and unexpected onset of conditions that could reasonably be expected by a prudent layperson to result in serious jeopardy to the mental or physical health of the individual and for which the claimant secures medical care immediately after the onset or as soon thereafter as the care can be made available. "Medical Emergencies" include heart attacks, cardiovascular accidents, poisoning, loss of consciousness or respiration, and such other acute conditions which meet the criteria set forth below.

a. CRITERIA

The criteria which will be utilized in determining the existence of a medical emergency condition as set forth in Section 6-A-(3) above and whether benefits will be payable are as follows:

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- i. The condition must be of such nature that failure to render care and/or treatment at the time required could reasonably result in deterioration to the point of placing the patient's life in jeopardy and/or cause serious impairment to bodily functions of the patient.
 - ii. Severe symptoms must occur suddenly and unexpectedly. The symptoms must be sufficiently severe to cause a person to seek immediate medical assistance regardless of the hour of the day or night. A chronic condition in which symptoms have existed over a period of time would not qualify for medical emergency consideration. However, if symptoms become acute enough to require immediate medical assistance, it might at that point so qualify.
 - iii. Immediate care must be secured. A medical emergency will not be considered to exist if medical care is not secured immediately after the onset of the condition. A telephone call to a doctor would not fulfill this requirement if examination and treatment by the physician is deferred until the next day. As a general rule the date of onset of symptoms and the date of treatment as reported on the claim form should be the same.
 - iv. The illness or condition as finally diagnosed or as indicated by its symptoms was one which would require immediate medical care.
- b. The following are examples of medical emergencies:
- i. **FOREIGN BODY IN AIRWAY WITH ACUTE OBSTRUCTION**

The blocking of the normal flow of oxygen and carbon dioxide.

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ii. ACUTE LARYNGEAL EDEMA

Swelling of the vocal cords and related structures with impairment of the airway.

iii. ACUTE PULMONARY EDEMA

Fluid in the airways and tissue of the lungs.

iv. ASPHYXIA

Lack of oxygen.

v. TENSION PNEUMOTHORAX

Collapsed lung.

vi. CARDIAC

Impairment of the normal blood flow in the coronary vascular system, e.g., apparent heart attack, angina.

vii. ADAMS STOKES SYNDROME

Sudden attack of unconsciousness caused by cardiac arrhythmia.

viii. MASSIVE PULMONARY EMBOLISM

Blood clot in the pulmonary vascular system which interferes with respiration.

ix. CARDIAC ARREST

The sudden cessation of heart contractions.

x. CARDIAC TAMPONADE

Blood in the sac covering the heart.

xi. CONVULSIVE DISORDERS

Sudden loss of consciousness with muscular contractions of the body with impairment of the respiratory process due to muscular spasm of the jaws interfering with flow of air to the patient.

xii. CEREBROVASCULAR ACCIDENT

Sudden occlusion of the blood supply to the brain with loss of function of the brain supplied by that particular blood vessel.

xiii. INFECTION

Infection of the covering membrane of the brain.

xiv. ECLAMPSIA

Absorption of toxic products of conception by the mother with changes in cerebral, renal and cardiac functions.

xv. GASTROINTESTINAL

Acute loss of blood by reason of ulceration or erosion of blood vessels in the abdominal cavity.

xvi. PERFORATION OF VISCUS

Traumatic loss of continuity of intra-abdominal viscera (stomach, intestine, bladder, etc.).

xvii. UREMIC COMA

Failure of kidney function with increase in retained metabolites.

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xviii. ACUTE OBSTRUCTION OF URINARY TRACT

Stone or tumor interfering with normal drainage of the excretory mechanism of the kidney, ureter, bladder or urethra.

xix. ANURIA-LOWER NEPHRON NECROSIS

Failure of urine secretion by the kidney due to infection, toxic substances ingested, etc.

xx. DIABETIC COMA

Failure of the body to effectively utilize glucose with increase in fat combustion leading to acidosis from excessive hydrogen ion formation.

xxi. PARATHYROID TETANY

Impairment of calcium metabolism with change in serum calcium and secondary nerve function malfunction with muscle spasms (tetany).

xxii. ADDISON DISEASE WITH CRISIS

Loss of adrenal gland hormone.

xxiii. HYPERCALCEMIA

Increase in serum calcium blood level with resultant cerebral and renal changes.

xxiv. INSULIN REACTION

Incorrect dose of drug, or failure to take or ingest prescribed diet, with the correct dose of insulin.

xxv. THYROID STORM

Over or excessive secretion or liberation of thyroid hormone.

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xxvi. HEAT STROKE

Failure of the heat regulatory function of the body.

xxvii. TEMPERATURE ELEVATION

Acute high fever (for) infants less than three years of age.

xxviii. ACUTE GLAUCOMA

Sudden increase in intra ocular pressure.

xxix. SYMPATHETIC OPHTHALMIA

Infection and edematous changes occurring in the nonaffected eye.

xxx. CAVERNOUS SINUS THROMBOSIS

Complication of middle ear disease with erosion of mastoid bone and spreading infection to the cavernous sinus in the brain.

xxxi. ACUTE ABDOMEN

Acute appendicitis
Acute cholecystitis
Acute pancreatitis

xxxii. SHOCK

Infection
Hemorrhage - traumatic
Cardiac - Heart attack

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xxxiii. LOSS OF CONSCIOUSNESS

Diabetic coma
Epilepsy - seizure
Overdose of drugs
Alcoholism

xxxiv. HIGH TEMPERATURE – ADULT

104° or higher as recorded at the emergency room.

The benefits will be paid, subject to the provisions above, for charges made by the hospital for such care and treatment of such person, except charges for nursing care and attendance by a physician.

The benefits will be paid provided that no benefit shall be payable under any other Section of this Article on account of injuries received in such accident, or on account of such operation or expense incurred in connection therewith.

B. Hemodialysis

If an insured employee or an insured employee's dependent shall necessarily receive hemodialysis treatment through the use of an artificial kidney machine in a hospital outpatient department, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services for certain items of expense resulting from such treatment.

Benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services for repetitive dialysis and related services on an ambulatory basis for an acute or chronic kidney disease causing functional impairment of the kidney. The benefit includes hospital charges for required physical equipment such as the treatment room related supplies, solutions, drugs and laboratory tests and the use of hemodialysis machines. Benefits include payment for the services of nurses and trained staff of the outpatient facility when charged by the facility.

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Utilization of services for outpatient hemodialysis is not dependent on prior hospital confinement nor will such utilization affect benefits provided for hospital confinement.

C. Physical Therapy Benefits - Employees and Dependents

- (1) Outpatient physical therapy benefits will be payable 100% for in-network covered services or subject to point of service benefits for out-of-network covered services performed for a period of 60 treatment days per calendar year when prescribed by a physician for a specified condition resulting from disease or injury or prescribed immediately following surgery related to the condition and when the physical therapy is performed in the outpatient department of a hospital. Such services must be performed by a physician or a qualified physical therapist according to prescription from a physician concerning the nature, frequency and duration of treatment.
- (2) Consultation services of a physician who is a specialist in rehabilitation or physical medicine when requested by the physician in charge of the case where special skill or knowledge for proper diagnosis and treatment is required, will be provided once during or preceding a course of physical therapy treatment whether charged by the physician or charged by the institution where the service is rendered.
- (3) A "qualified physical therapist" is a graduate of a program of physical therapy approved by the Council on Medical Education of the American Medical Association in collaboration with the American Physical Therapy Association or its equivalent, and, where applicable, is licensed by the state.
- (4) Physical therapy shall include functional occupational therapy to the extent that such therapy is performed to regain use of the upper extremities. Occupational therapy shall not include vocational therapy or vocational rehabilitation nor educational or recreational therapy.

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- (5) *Physical therapy limitations shall not include cardiac rehabilitation for post myocardial infarction and post cardiac surgery in an approved hospital outpatient facility.*
- (6) *Payment will be made at 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.*

D. Radiation Therapy

The benefits as set forth below will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services if an insured employee or an insured employee's dependent shall receive on account of accidental bodily injury or sickness not herein excluded, X-ray, radon, radium or radioactive isotope treatments administered in the outpatient department of a hospital

- (1) while such person is covered under this Article, or
- (2) within three (3) months from the date such person ceases to be covered under this Article, provided such person shall have been totally disabled by accidental bodily injury or sickness at the date he shall have ceased to be covered under this Article, and shall have been continuously so disabled to the date of such treatment.

E. Chemotherapy

If an insured employee or an insured employee's dependent shall incur charges by the outpatient department of a hospital for treatment by a physician for malignancies using medically acceptable chemotherapy and such charges are incurred while such person is covered under this Program, and are not covered by any other provision of this Program, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.

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F. Preadmission Hospital Tests

- (1) If an insured employee or an insured employee's dependent shall incur charges either by a hospital or by a physician's office for required tests prior to a scheduled admission to the hospital, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.
- (2) Such required tests must be
 - a. Related to the patient's condition or diagnosis, and
 - b. Ordered by the physician in charge or required by the hospital, and
 - c. Performed within 14 days of the date of the scheduled admission to the hospital.
- (3) In the event the scheduled admission to the hospital is canceled by the physician in charge, benefits will be paid. However, if the scheduled admission is canceled by the employee or the employee's dependent, then no benefits are payable.

Section 7. Free-Standing Surgical Centers

- A. If an insured employee or an insured employee's dependent shall incur surgical charges for a surgical procedure performed in a free-standing surgical center, the charges by the free-standing surgical center will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services if such facility is licensed as a surgical center in accordance with the requirements of the jurisdiction in which it is located.
- B. It is understood that the surgical procedures normally performed in a free-standing surgical center will be those procedures which are or have normally been performed in the outpatient department of a hospital or on an inpatient basis.

APPENDIX "B" – ARTICLE VII

Section 8. Observation Rooms

If an employee or an employee's dependent shall incur charges by a hospital for an observation room, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services. Coverage will be provided on the basis that admittance to an observation room is in lieu of an acute care hospital admission. The Company reserves the right to utilize the services of an organization such as the Iowa Foundation for Medical Care to pre-certify and/or monitor the stay in an observation room. Such services may also be utilized to monitor the practices of hospitals that charge for observation rooms to ensure that observation rooms are not used to circumvent criteria established under Section 6 of this Article.

Section 9. Exclusions and Limitations

The insurance under this Article shall not cover any confinement or medical care and treatment which is not recommended by a duly qualified physician.

Section 10. Restoration of Benefits

- A. Successive periods of confinement in a hospital shall be considered as having occurred during one period of disability, except that a new period of disability will be established if the employee or dependent, as the case may be, shall have completely recovered from the injury or sickness causing the earlier confinement before the later confinement; or
- (1) in the case of the employee only, if the employee shall have returned to active work with the employer for at least one (1) full working day before commencement of the later confinement; or
 - (2) in the case of the dependent only, if the later confinement is due to an injury or sickness entirely unrelated to the cause of the earlier confinement, or if a period of sixty (60) consecutive days shall have elapsed during which the dependent is not confined as a resident inpatient in a hospital.

APPENDIX "B" – ARTICLE VII

- B. If any of the benefits herein set out become exhausted with respect to an employee or a dependent, they will be reinstated one (1) year from the date of the last claim for which payment was made.

**ARTICLE VIII
SURGICAL PROCEDURE
EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS**

Section 1. Surgical Procedures Other Than Obstetrical Procedures

- A. Benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services rendered by a surgeon, and an assistant surgeon where required if a surgical procedure, other than an obstetrical procedure, as herein defined, shall be necessarily performed by a duly qualified surgeon and assistant surgeon on an insured employee or an insured employee's dependent on account of accidental bodily injury or sickness not hereinafter excepted.

- (1) While such person is covered under this Article, or
- (2) Within three (3) months from the date such person ceases to be covered under this Article provided such person shall have been totally disabled by bodily injury or sickness at the date he shall have ceased to be covered under this Article, and shall have been continuously so disabled to the date of commencement of such confinement.

- B. The benefit for the surgical procedure shall include the charge for surgery and the surgeon's charges for necessary postoperative hospital and office visits.

Section 2. Obstetrical Procedures

- A. Benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services to a duly qualified physician or surgeon, and an assistant surgeon if medically necessary if an obstetrical procedure, as herein defined, shall be necessarily performed on an insured employee or an insured employee's dependent

APPENDIX "B" – ARTICLE VIII

- (1) while such person is covered under this Article; or
 - (2) within nine (9) months from the date such person ceases to be covered under this Article, provided the operation is performed as a result of pregnancy which existed at such date and which pregnancy commenced while such person was covered under this Article, as evidenced by a written statement of the attending physician or surgeon.
- B. In addition to the amount payable for an obstetrical procedure, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services to a duly qualified physician for prenatal and postnatal care and treatment.
- C. Where it is necessary to determine how much of the total expense is for obstetrical procedure and how much is for prenatal and postnatal care and treatment, such determination shall be made on the basis of sixty (60) percent of the total expenses being for the obstetrical procedure and forty (40) percent being for prenatal and postnatal care and treatment.
- D. The term "obstetrical procedure" as used herein is limited to:
- (1) Delivery of child or children;
 - (2) cesarean section, including delivery;
 - (3) an abdominal operation for extrauterine or ectopic pregnancy;
 - (4) miscarriage;
 - (5) false labor; and
 - (6) threatened abortion.

Section 3. Organ or Tissue Transplants

If an insured employee or an insured employee's dependents shall incur surgical charges as a donor for an organ or tissue transplant surgical procedure or if any other person incurs such surgical charges for being a donor for an insured employee or an insured employee's dependents, the benefits provided in Section 1 of this Article shall be payable provided the donor is not otherwise eligible for surgical insurance benefits under the Company's Plan, the plan of another company, or otherwise. If an insured employee or an insured employee's dependent shall incur surgical charges as set out above as a donor, the benefits provided in Section 1 of this Article will not be paid to the extent that the donee has surgical insurance which will cover the donor.

Section 4. Jejunioileostomy and Incidental Lipectomy

If an insured employee or an insured employee's dependent shall incur surgical charges for jejunioileostomy and incidental lipectomy the benefits provided in Section 1 of this Article will be paid for patients where all of the following criteria have been met:

- A. Massive obesity - preferably a body weight over 100 lbs. over optimal weight.
- B. Medical complications secondary to the obesity such as hypertension, diabetes, serious venous stasis, hyperlipidemia, etc.

It is understood that the operation is not performed for cosmetic reasons.

**ARTICLE IX
BENEFITS FOR EXPENSE OF
PHYSICIAN'S NONSURGICAL SERVICES**

Section 1. Physician's Visits - Employees and Dependents

A. Hospital and Qualified Nursing Home Visits

Benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services to a duly qualified physician for hospital and qualified nursing home visits, if an insured employee shall be necessarily treated on account of accidental bodily injury or sickness not hereinafter excepted,

- (1) while such person is covered under this Section; or
- (2) within three (3) months from the date such person ceases to be covered under this Section provided such person shall have been totally disabled by accidental bodily injury or sickness at the date he shall have ceased to be covered under this Article, and shall have been continuously so disabled to the date of such visit for treatment.

B. Organ or Tissue Transplants

If an insured employee shall be confined upon the recommendation of a physician as a resident patient in a hospital for the purpose of being a donor for an organ or tissue transplant surgical procedure, or if any other person shall be so confined for the purpose of being a donor for an insured employee, the benefits provided in A of this Section shall be payable provided the donor is not otherwise eligible for insurance benefits under the Company's Plan, the plan of any other company, or otherwise. If an insured employee shall be confined asset out above for the purpose of being a donor, the benefits provided in A of this Section will not be paid if the donee has medical insurance which will cover the donor.

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C. Exclusions and Limitations

No payment shall be made under this Section for any charge for any visit

- (1) for treatment in connection with any dental work or procedure except that benefits will be payable for hospital admission charges by a physician; or
- (2) for eye examination for the fitting of glasses.

D. Restoration of Benefits

- (1) Successive periods of confinement in a hospital and/or qualified nursing home shall be considered as having occurred during one (1) period of disability, except that a new period of disability will be established if the employee shall have completely recovered from the injury or sickness causing the earlier confinement before the later confinement, or
 - a. If the employee shall not have been confined as a resident inpatient in a hospital or qualified nursing home for at least two (2) consecutive weeks, or
 - b. If the employee shall have returned to active work with the employer for at least one (1) full working day before the commencement of the later confinement.
- (2) If any of the benefits herein set out become exhausted with respect to an employee or a dependent, they will be reinstated one (1) year from the date of the last claim for which payment was made.

Section 2. Emergency Care – Employees and Dependents

- A. Benefits will be paid 100% for covered services after \$10 emergency room visit copayment for necessary initial medical care and treatment, except charges for nursing care, received by the employee or employee's dependent on account of

APPENDIX "B" – ARTICLE IX

- (1) bodily injury not hereinafter excepted; or
- (2) the onset of a medical emergency provided such medical care and treatment is rendered immediately or as soon thereafter as care can be made available.

A "Medical Emergency" is the sudden and unexpected onset of conditions that could reasonably be expected by a prudent layperson to result in serious jeopardy to the mental or physical health of the individual and for which the claimant secures medical care immediately after the onset or as soon thereafter as the care can be made available. "Medical Emergencies" include heart attacks, cardiovascular accidents, poisoning, loss of consciousness or respiration, and such other acute conditions which meet the criteria set forth below.

a. CRITERIA

The criteria which will be utilized in determining the existence of a medical emergency condition as set forth in Section 2-A-(2) above and whether benefits will be payable are as follows:

- i. The condition must be of such nature that failure to render care and/or treatment at the time required could reasonably result in deterioration to the point of placing the patient's life in jeopardy and/or cause serious impairment to bodily functions of the patient.
- ii. Severe symptoms must occur suddenly and unexpectedly. The symptoms must be sufficiently severe to cause a person to seek immediate medical assistance regardless of the hour of the day or night. A chronic condition in which symptoms have existed over a period of time would not qualify for medical emergency consideration. However, if symptoms become acute enough to require immediate medical assistance, it might at that point so qualify.

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iii. Immediate care must be secured. A medical emergency will not be considered to exist if medical care is not secured immediately after the onset of the condition. A telephone call to a doctor would not fulfill this requirement if examination and treatment by the physician is deferred until the next day. As a general rule the date of onset of symptoms and the date of treatment as reported on the claim form should be the same.

iv. The illness or condition as finally diagnosed or as indicated by its symptoms was one which would require immediate medical care.

b. The following are examples of medical emergencies:

i. FOREIGN BODY IN AIRWAY WITH ACUTE OBSTRUCTION

The blocking of the normal flow of oxygen and carbon dioxide.

ii. ACUTE LARYNGEAL EDEMA

Swelling of the vocal cords and related structures with impairment of the airway.

iii. ACUTE PULMONARY EDEMA

Fluid in the airways and tissue of the lungs.

iv. ASPHYXIA

Lack of oxygen.

v. TENSION PNEUMOTHORAX

Collapsed lung.

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vi. CARDIAC

Impairment of the normal blood flow in the coronary vascular system, e.g., apparent heart attack, angina.

vii. ADAMS-STOKES SYNDROME

Sudden attack of unconsciousness caused by cardiac arrhythmia.

viii. MASSIVE PULMONARY EMBOLISM

Blood clot in the pulmonary vascular system which interferes with respiration.

ix. CARDIAC ARREST

The sudden cessation of heart contractions.

x. CARDIAC TAMPONADE

Blood in the sac covering the heart.

xi. CONVULSIVE DISORDERS

Sudden loss of consciousness with muscular contractions of the body with impairment of the respiratory process due to muscular spasm of the jaws interfering with flow of air to the patient.

xii. CEREBROVASCULAR ACCIDENT

Sudden occlusion of the blood supply to the brain with loss of function of the brain supplied by that particular blood vessel.

xiii. INFECTION

Infection of the covering membrane of the brain.

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xiv. ECLAMPSIA

Absorption of toxic products of conception by the mother with changes in cerebral, renal and cardiac functions.

xv. GASTROINTESTINAL

Acute loss of blood by reason of ulceration or erosion of blood vessels in the abdominal cavity.

xvi. PERFORATION OF VISCUS

Traumatic loss of continuity of intra-abdominal viscera (stomach, intestine, bladder, etc.).

xvii. UREMIC COMA

Failure of kidney function with increase in retained metabolites.

xviii. ACUTE OBSTRUCTION OF URINARY TRACT

Stone or tumor interfering with normal drainage of the excretory mechanism of the kidney, ureter, bladder or urethra.

xix. ANURIA-LOWER NEPHRON NECROSIS

Failure of urine secretion by the kidney due to infection, toxic substances ingested, etc.

xx. DIABETIC COMA

Failure of the body to effectively utilize glucose with increase in fat combustion leading to acidosis from excessive hydrogen ion formation.

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xxi. PARATHYROID TETANY

Impairment of calcium metabolism with change in serum calcium and secondary nerve function malfunction with muscle spasms (tetany).

xxii. ADDISON DISEASE WITH CRISIS

Loss of adrenal gland hormone.

xxiii. HYPERCALCEMIA

Increase in serum calcium blood level with resultant cerebral and renal changes.

xxiv. INSULIN REACTION

Incorrect dose of drug, or failure to take or ingest prescribed diet, with the correct dose of insulin.

xxv. THYROID STORM

Over or excessive secretion or liberation of thyroid hormone.

xxvi. HEAT STROKE

Failure of the heat regulatory function of the body.

xxvii. TEMPERATURE ELEVATION

Acute high fever (for) infants less than three years of age.

xxviii. ACUTE GLAUCOMA

Sudden increase in intra ocular pressure.

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xxix. SYMPATHETIC OPHTHALMIA

Infection and edematous changes occurring in the nonaffected eye.

xxx. CAVERNOUS SINUS THROMBOSIS

Complication of middle ear disease with erosion of mastoid bone and spreading infection to the cavernous sinus in the brain.

xxxi. ACUTE ABDOMEN

Acute appendicitis
Acute cholecystitis
Acute pancreatitis

xxxii. SHOCK

Infection
Hemorrhage - traumatic
Cardiac - Heart attack

xxxiii. LOSS OF CONSCIOUSNESS

Diabetic coma
Epilepsy - seizure
Overdose of drugs
Alcoholism

xxxiv. HIGH TEMPERATURE - ADULT

104° or higher as recorded at the emergency room or at the physician's office.

B. Exclusions

No payment shall be made under this Section for any charge for any such care and treatment:

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- (1) which is not acute and does not demand treatment on an emergency basis as would be expected by a prudent layperson.
- (2) for which the employee is entitled to benefits under any other Article of the program; or
- (3) in connection with any dental work or procedure.

Section 3. Radiation Therapy - Employees and Dependents

The benefits as set forth below will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services if an insured employee or an insured employee's dependent shall receive on account of accidental bodily injury or sickness not herein excluded, X-ray, radon, radium or radioactive isotope treatments administered and charged for by a duly qualified physician.

Section 4. Pap Smears - Employees and Dependents

If an insured employee or an insured employee's dependent shall incur expense for a routine pap smear test made by a duly qualified physician and such expense shall be incurred while such person is covered under this Program, benefits will be paid 100% for in-network covered services.

Section 5. Chemotherapy - Employees and Dependents

If an insured employee or an insured employee's dependent shall incur charges by a physician for malignancies using *medically acceptable chemotherapy* and such charges are incurred while such person is covered under this Program, and are not covered by any other provision of this Program, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.

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Section 6. Allergy Testing and Allergy Injections - Employees and Dependents

If an insured employee or an insured employee's dependent shall incur expense for allergy testing and/or allergy injections made by a duly qualified physician, and such expense shall be incurred while such person is covered under this Program, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.

Section 7. Second Opinion Surgery

- A. If an employee or an employee's dependent undergoes a surgical consultation performed by a consulting surgeon to determine the need for major elective (nonemergency) surgery which has been recommended by another surgeon and which will require treatment in a hospital or in a free-standing surgical center, second surgical opinion benefits will be payable.
- B. Payment will be made at 100% for in-network covered services after the applicable office visit copayment or subject to the point of service benefits for out-of-network opinions to determine the need for surgery.
- C. If the second surgical opinion does not confirm the need for surgery, a third opinion consultation will be covered on the same basis as a second opinion.
- D. For the purpose of this Section, "consulting surgeon" means a physician who is Board qualified or a Board Certified member of his surgical specialty, and "major elective (nonemergency) surgical procedure" includes:

Adenoidectomy and/or Tonsillectomy

Hysterectomy

Cholecystectomy

Inguinal hernia repair

Laminectomy

Coronary artery bypass surgery

APPENDIX "B" – ARTICLE IX

**Hemorrhoidectomy
Bunionectomy
Knee surgery
Mastectomy
Varicose vein ligation and/or stripping
Myringotomy with insertion of drainage tubes
Submucous Resection
Thyroidectomy
Cataract removal
Colonoscopy
Gastroscopy
Foot Surgery (when the total surgical fee for all
recommended procedures exceeds \$200)**

- E. Additional procedures may be added to this list of major elective (nonemergency) surgical procedures if mutually agreed to by the Company and the Union.**
- F. The employee or employee's dependent may select a consulting surgeon of their choice, however, at the request of the employee or employee's dependent the Company will provide a list of available consulting surgeons known to them.**
- G. It is understood that the final decision to elect surgery is entirely that of the employee or employee's dependent and by electing to use this provision the employee or employee's dependent is not required to follow the recommendations of the consulting surgeon.**
- H. Benefits under this Section are not payable for:**
 - (1) Charges for which benefits are otherwise provided under this Plan.**
 - (2) Charges for the failure to keep a scheduled appointment with a consulting surgeon.**

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Section 8. Observation Rooms

If an employee or an employee's dependent shall incur charges by a physician while admitted to an observation room for which benefits are payable under Section 8, Article VII, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services for one visit per stay.

**ARTICLE X
DIAGNOSTIC LABORATORY
AND X-RAY EXAMINATION EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS**

Section 1. Laboratory or X-Ray Examination

If an insured employee or an insured employee's dependent shall incur expense for any laboratory or X-Ray examination not hereinafter excepted made by, or at the request of, a duly qualified physician or a chiropractor in the course of treatment of such person on account of accidental bodily injury or sickness, and such expense shall be incurred while such person is covered under this Article, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.

Section 2. Pap Smears

If an insured employee or an insured employee's dependent shall incur expense for laboratory analysis of a pap smear made by a duly qualified physician and such expense shall be incurred while such person is covered under this Program, benefits will be paid 100% for in-network covered services.

Section 3. Allergy Testing and Allergy Injections

If an insured employee or an insured employee's dependent shall incur expense for allergy testing and/or allergy injections made by or at the request of a duly qualified physician, and such expense shall be incurred while such person is covered under this Program, benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.

Section 4. Mammograms

If an employee or an employee's dependent shall incur expenses for routine mammograms benefits will be paid 100% for in-network covered services per the following minimum schedule:

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Women age 35 through 39 - One baseline mammogram

Women age 40 through 49 - One mammogram every two years

Women age 50 and older - One mammogram annually

Section 5. Exclusions

No payment shall be made under this Article in any event with respect to:

- A. Any examination in connection with any dental work or procedure except as may be required on account of accidental injury to natural teeth.**
- B. Any examination for which the employee is entitled to benefits under Article VII hereof, or made during a period of confinement for which the employee is entitled to benefits under said Article.**

**ARTICLE XI
HEMODIALYSIS
OTHER THAN HOSPITAL ADMINISTERED
EMPLOYEES AND THEIR DEPENDENTS**

In addition to the benefits described in Article VII, Section 2-C and 6-B, the Company will provide hemodialysis benefits for employees and their dependents for certain items of expense resulting from the use of an artificial kidney machine in the employee's or dependent's home.

Hemodialysis is the supportive use of an artificial kidney machine for a severely damaged or malfunctioning kidney. The following provisions establish the scope of benefits for this treatment:

APPROVED HEMODIALYSIS CENTER

Benefits will be paid 100% for in-network covered services or subject to point-of-service benefits for out-of-network covered services for repetitive dialysis and related services in an approved hemodialysis center on an ambulatory basis for an acute or chronic kidney disease causing functional impairment of the kidney. The benefit includes facility charges for required physical equipment such as the treatment room related supplies, solutions, drugs and laboratory tests and the use of hemodialysis machines. Benefits include payment for the services of nurses and trained staff of the facility when charged by the facility.

Utilization of services for hemodialysis is not dependent on prior hospital confinement nor will such utilization affect benefits provided for hospital confinement.

HOME HEMODIALYSIS

Hemodialysis will be considered a benefit in the patient's home when the treatment is repetitive, for chronic irreversible kidney disease, and when such treatment is arranged under an approved treatment program through:

APPENDIX "B" -- ARTICLE XI

- (1) The physician director of an approved hospital hemodialysis training program; or
- (2) A committee of staff physicians of an approved hospital hemodialysis training program; and
- (3) The physician attending the patient during the establishment of his treatment program.

A. Benefit

- (1) Benefits will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services for the purchase, rental or lease of a hemodialysis machine placed in the home.
- (2) The benefit includes payment for essential installation costs, and the subsequent maintenance or repair of such equipment, when the patient's place of residence is deemed to be the most convenient and desirable setting for such treatment. The owner of the patient's place of residence must give written permission in advance of the installation of such equipment.
- (3) The benefit includes the hospital's expenses incurred or resulting from the training of the patient, family members or any other individual who of necessity will be assisting the patient in the home in the operation of the dialyzer.
- (4) Expenses for related laboratory tests and for consumable and expendable supplies, such as the dialysis membrane, the dialysis solution, tubing and drugs required during dialysis are provided as benefits when purchased through and billed by the hospital.
- (5) The cost of removing the hemodialysis equipment from the patient's home following discontinuance of the patient's need for such equipment.

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B. Administration

- (1) Prior hospitalization is not required for patients on home hemodialysis. Normally, however, the patient will have been hospitalized or will have received treatment at an outpatient facility until his treatment program is established and stabilized and either the patient, a family member or another individual is trained in the appropriate techniques to assist in dialysis.
- (2) Benefits shall be payable only to participating hospitals as defined in Article VI, Section 1.
- (3) The physician director, or a committee of staff doctors, in conjunction with the attending physician will assume full responsibility for appropriate case selection, training of the patient and family members in full detail of the procedure, and the prescribing of a suitable dialysis machine which is acceptable to the Company.
- (4) Utilization of services for home hemodialysis will not be charged against any portion of the insured employee's or dependent's remaining hospital inpatient benefits. Exhaustion of the insured employee's or dependent's remaining hospital inpatient benefits will not disqualify him for home hemodialysis benefits.
- (5) The full cost of treatment drugs required during dialysis, supplies, solutions, or other consumable and/or expendable items purchased under the stipulation of the program will be reimbursed when purchased through and billed by an approved hospital.
- (6) The patient's place of residence must have access to electrical power, an approved water supply and sanitary waste disposal prior to the installation of the dialyzer. Benefits are payable for attaching the dialyzer to existing power, water and disposal systems but are not payable for the cost of obtaining such systems.

APPENDIX "B" - ARTICLE XI

C. Exclusions

- (1) Neither the Company nor the hospital organization shall pass on to anyone an ownership right or interest in a hemodialysis machine which is placed under this program in an insured employee's or dependent's residence.
- (2) Benefits are not payable for expenses which are not billed by a participating hospital.
- (3) Family members or other individuals trained and assisting in the dialysis procedure will not be reimbursed.
- (4) Training of individuals by other than staff members or by other individuals with whom the hospital hemodialysis training center has contracted for such training purposes is not covered.
- (5) Charges for electricity or water used in the operation or maintenance of the dialyzer are not reimbursable. The cost of the installation of electrical power, an approved water supply and/or sanitary waste disposal system in conjunction with the installation of a hemodialysis machine is excluded.
- (6) Physician's services are not covered by the Plan except for a proration of an amount for administration and overall supervision of the program by a physician reimbursed by the hospital, as opposed to payment for direct patient care services.
- (7) Expenses which are not payable due to the application of the Coordination of Benefits provision are excluded.
- (8) Expenses incurred prior to the effective date of the home hemodialysis program or, if later, the effective date of the member's coverage are excluded.

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- (9) After the initial installation, any subsequent costs incurred in moving the dialyzer to another location within the patient's place of residence are excluded.**
- (10) Expenses incurred in the installation of a dialysis machine which are not essential to its operation are excluded.**

ARTICLE XII
PRESCRIPTION DRUG EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS

Section 1. Eligibility

Benefits as set out herein will be payable if an insured employee or an insured employee's dependents incur expenses for Covered Prescription Drugs as a result of an injury not entitling him to benefits under Workers' Compensation or occupational disease law, or of sickness not entitling him to benefits under any such law, and for conditions of pregnancy and obesity, and such prescription drugs are provided, upon the written order of a physician, by a walk-in pharmacy (including a hospital pharmacy) or a mail-order pharmacy or a physician.

Section 2. Amount of Benefit

- A. For all Covered Prescription Drugs dispensed by all Participating Providers, payment shall be made for such drugs after a drug copayment for each prescription and refill of a prescription as follows:
- (1) The drug copayment will be the responsibility of the employee and will be paid to the provider.
 - (2) Reimbursement by the Company will be made directly to the provider and will be one hundred (100) percent of the payable charge.
- B. For all Covered Prescription Drugs dispensed by Non-Participating Providers payment shall be made for such drugs after a drug coinsurance for each prescription and refill of a prescription as follows:
- (1) The cost of the entire prescription will be the responsibility of the employee and will be paid to the provider upon delivery of the prescription.

APPENDIX "B" – ARTICLE XII

- (2) Reimbursement by the Company will, except as provided below, be made to the employee and will be seventy-five (75) percent of the payable charge. However, reimbursement by the Company will not exceed the benefit available through Participating Providers.
- C. The drug copayment referenced in this Article shall be as follows:
 - (1) A drug copayment of five dollars (\$5.00) will be assessed for all generic Covered Prescription Drugs which meet either of the following conditions:
 - a. An up to a 34-day supply of generic Covered Prescription Drugs at a retail Participating Provider; or
 - b. An up to a 100-day supply of generic Covered Prescription Drugs on the approved 100-day supply list dispensed from a mail order Participating Provider.
 - (2) A drug copayment of fifteen dollars (\$15.00) will be assessed for all brand Covered Prescription Drugs which meet either of the following conditions:
 - a. An up to a 34-day supply of brand Covered Prescription Drugs at a retail Participating Provider; or
 - b. An up to a 100-day supply of brand Covered Prescription Drugs on the approved 100-day supply list dispensed from a mail order Participating Provider.

Section 3. Exclusions

Benefits under this Article shall not be payable for:

- A. Charges for which benefits are otherwise payable under this program.

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- B. Charges for the administration of prescription drugs.
- C. Charges for contraceptive devices and other birth control products not listed on the Plan's Formulary.
- D. Charges for therapeutic devices and appliances; bandages and other similar supplies; support garments and other non-medicinal substances.
- E. Charges for more than a thirty-four (34) day supply of any prescription drug except maintenance drugs and covered allergenic extracts.
- F. Charges for more than a one hundred (100) day supply of maintenance drugs.
- G. Charges for more than a twelve (12) month supply of covered allergenic extracts.
- H. Charges for any prescription refill in excess of the number specified by the physician or any refill dispensed in excess of the time allotted or number of refills allowed by State or Federal laws and regulations.
- I. Charges for medications furnished on an inpatient or outpatient basis and covered under the terms of any other group prepayment plan, whether such plan is on a service or an indemnity basis.
- J. Charges for any drugs and medicines received by any person covered by Medicare if, as the result of any amendment adopted on or after 1 January 1971, drugs or medicines are added as an item of covered expense under Medicare.
- K. Charges for syringes and needles, except for disposable syringes and needles necessary to inject a covered supply of insulin.
- L. Charges for drugs that are not Covered Prescription Drugs.

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Section 4. Definitions

A. "Prescription drugs" for purposes of this Article, mean:

- (1) Legend drugs (any medicinal substance the label of which under the federal food, drug and cosmetic act is required to bear the legend "Caution: Federal law prohibits dispensing without a prescription").
- (2) Drugs which do not meet the legend drug definition, but are designated by the Federal Drug Enforcement Agency (D.E.A.) as Class V drugs (controlled sale by pharmacy only) and where state law has added to federal statute thereby prohibiting dispensing without a prescription in that state.
- (3) Non-legend glucose test tablets, strips, reagents and stylets in connection with a chronic diabetic condition.
- (4) Injectable insulin and/or glucagon with or without a prescription provided such is legal in the state where dispensed and the need is verified by the dispensing pharmacist.
- (5) Disposable syringes and needles necessary to inject a covered supply of insulin with or without a prescription provided such is legal in the state where dispensed and the need is verified by the dispensing pharmacist.

B. "Payable charge" as used in this Article is the allowable ingredient charge plus the dispensing fee plus applicable sales tax less the drug copayment or coinsurance.

C. "Allowable ingredient charge" as used in this Article is:

- (1) For Non-Participating Providers the actual ingredient charge.
- (2) For Participating Providers an allowable price determined by schedule, method or formula and agreed upon by the Company and the Participating Providers.

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D. "Dispensing fee", as used in this Article is a fee paid to the pharmacist for dispensing drugs as provided for in this program and:

- (1) For Non-Participating Providers is a fee for the dispensing of each prescription or each refill which will be determined on the basis of the general level of fees for such dispensing within the area in which the prescription is secured.
- (2) For Participating Providers is an allowable fee determined by schedule, method or formula and agreed upon by the Company and the Participating Providers.

E. "Participating Provider" means any walk-in pharmacy (including a hospital pharmacy) or mail-order pharmacy or physician legally licensed to dispense drugs which has entered into an agreement with the Company to provide prescription drugs under this Article. at prices and dispensing fees as provided for by schedule, method or formula in the agreement with the Participating Provider.

F. "Average wholesale price" is a generally recognized per-unit price for drug products which provides a common pricing basis which both the drug industry and third-party payers recognize. The prices are updated monthly by survey of drug manufacturers and wholesale houses by an independent data service and supplied by the data service to the Company for a fee.

G. "Physician", for purposes of this Article, shall be limited to:

- (1) A doctor of medicine (MD)
- (2) A doctor of dental surgery (DDS)
- (3) A doctor of dental medicine (DMD)

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- (4) A doctor of osteopathy (DO)
 - (5) A doctor of podiatric medicine (DPM)
 - (6) A doctor of optometry (OD) in states where license to prescribe drugs is granted.
- H. "Maintenance Drug", for the purposes of this Article, means a prescription drug, contained on the current maintenance list, which is available in up to 100 day supplies. Drugs on the maintenance list are periodically reviewed and changed after evaluation by health care professionals.
- I. "Covered Prescription Drugs" shall be selected by the Plan's pharmacy formulary committee based upon clinical effectiveness and cost. These drugs may be subject to quantity limitations and prior authorization as deemed appropriate by the Plan's pharmacy formulary committee. The formulary list is subject to periodic review and modification. The formulary will give providers an adequate range of choices to treat a given condition.

**ARTICLE XIII
DENTAL EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS**

Section 1. Effective Date

Benefits will be paid to an employee if an insured employee or an insured employee's dependent incurs dental treatment expense as hereinafter provided and such expenses are incurred on or after the effective date of coverage.

Section 2. Hospital Expenses

If an insured employee or an insured employee's dependent is confined as a resident patient in a hospital for necessary treatment in connection with injuries or disease of a dental nature, the daily room and board and miscellaneous fee expenses incurred during such confinement will be payable under the provisions of Article VII.

Section 3. Indemnity Limit

- A. The maximum benefit payable in any one (1) calendar year for benefits under this Article, except benefits described in Section 4-A-(2) through (25) and C-(4), will be one thousand five hundred dollars (\$1,500).
- B. The maximum benefit payable in connection with orthodontic treatment will be one thousand six hundred and fifty dollars (\$1,650) for treatment programs commencing on or after 1 January 2004 for all such expenses incurred during the lifetime of the insured.
- C. The maximum benefits payable in Paragraphs A and B above will apply separately to each insured employee and to each insured employee's dependent.

Section 4. Covered Dental Expenses

Benefits will be paid to the employee subject to the limitations and provisions hereinafter contained in an amount equal to the actual expense to the employee of the reasonable and

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customary charge of a dentist for the dental services and supplies received by an insured employee or an insured employee's dependent for the necessary treatment as hereinafter listed.

A. One hundred percent (100%) of the reasonable and customary charge for:

- (1) Oral examinations including prophylaxis (scaling and cleaning of teeth), but not more than two (2) examinations in any calendar year. In addition benefits will be provided for up to a maximum of four (4) visits for scaling and cleaning during the twelve (12) months following periodontal surgery or definitive periodontal treatment.
- (2) The excision of partially or completely unerupted or impacted teeth.
- (3) Surgical removal of an erupted tooth (must require incision of tissue).
- (4) Gingivectomy procedures, if performed in connection with the treatment of diseased gums.
- (5) Initial emergency care and treatment as a result of an accident.
- (6) Alveolectomy, but not the extraction of teeth preceding such alveolectomy at one sitting.
- (7) Apicoectomy or apicoectomy combined with single stage nerve extirpation and canal filling.
- (8) Incision and drainage of abscess.
- (9) Removal of retained or residual roots totally covered by bone.
- (10) Removal of cysts and neoplasms.

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- (11) Frenectomy.
- (12) Biopsy.
- (13) Excision of hypertrophied or hyperplastic tissue.
- (14) Tooth transplantation or implantation or reimplantation.
- (15) Sulcoplasty.
- (16) Oral antral fistula closure and/or antral root recovery.
- (17) Exostosis.
- (18) Osteoplasty or Ostectomy or Osteotomy.
- (19) X-rays required for treatment or diagnosis of accidental injury.
- (20) Fracture of facial bones.
- (21) Neurectomy - not associated with root canal therapy.
- (22) Sialolithotomy and associated diagnostic procedures.
- (23) General anesthesia administered as an outpatient which renders a patient totally unconscious in connection with the removal of impacted teeth. General anesthesia shall include intravenous sedation when administered in connection with covered oral surgery.
- (24) Surgical exposure of impacted or unerupted teeth for orthodontic treatment.
- (25) Complete blood count, urinalysis and blood sugar laboratory tests necessary prior to performing ambulatory oral surgical procedures under this Section 4-A.

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B. One hundred percent (100%) of the reasonable and customary charge for:

- (1) Topical application of sodium or stannous fluoride.
- (2) Dental X-rays, but not more than one (1) full mouth X-ray in any period of thirty-six (36) consecutive months; and supplementary bitewing X-rays but not more than twice during each calendar year; and such other dental X-rays as are required in connection with the diagnosis of a specific condition requiring treatment.
- (3) Routine extractions (removal of teeth uncomplicated).
- (4) Restorations - other than restorations used for retaining prosthetic devices.
- (5) Treatment of periodontal and other diseases of gums *and tissues of the mouth but not surgical procedures covered in A above.* (Bridgework required in connection with such treatment is subject to the fifty percent (50%) rate of payments.)
- (6) Injection of medication, other than local anesthetic by the attending dentist.
- (7) Repair or recementing of crowns, inlays, bridgework or dentures, or relining of dentures.
- (8) Space maintainers.
- (9) *Inlays, gold fillings, crowns (including precision attachments for dentures).*
- (10) Root canal therapy - without an apicoectomy.
- (11) Oral surgery procedures not included in A above.
- (12) General anesthesia administered as an outpatient which renders a patient totally unconscious in connection with a covered dental service other than as

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specified in A-(23). General anesthesia shall include intravenous sedation when administered in connection with covered oral surgery.

- (13) Cosmetic bonding for cosmetic restorations, including fillings or veneers (bonding), as a result of tetracycline staining, severe fluorosis, opalescent dentin or amelogenesis imperfecta, but excluding cosmetic treatment as a result of cigarette or coffee staining, staining after orthodontic treatment or malshaped or malpositioned teeth.
- (14) Dental sealants for individuals age five (5) through sixteen (16) for permanent adult teeth numbers two (2), three (3), fourteen (14), fifteen (15), eighteen (18), nineteen (19), thirty (30), and thirty-one (31) as identified by the American Dental Association. Not to exceed one (1) application per tooth every three (3) years through age sixteen (16).

C. Fifty percent (50%) of the reasonable and customary charge for:

- (1) Initial installation of fixed bridgework (including inlays and crowns to form abutments).
- (2) Initial installation (including adjustments during the six (6) month period following installation) of partial or full removable dentures.
- (3) Replacement of existing partial or full removable denture or fixed bridgework by a new denture or by new bridgework, or the addition of teeth to an existing partial removable denture or to bridgework, but only if satisfactory evidence is presented that:
 - a. the replacement or addition of teeth is required to replace one (1) or more teeth extracted after the existing denture or bridgework was installed; or

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- b. the existing denture or bridgework was installed at least five (5) years prior to its replacement and the existing denture or bridgework cannot be made serviceable; or
- c. the existing denture is an immediate temporary denture which cannot be made permanent and replacement by a permanent denture takes place within twelve (12) months from the date of installation of the immediate temporary denture.

Normally, dentures will be replaced by dentures, but if achieving a professionally acceptable course of treatment requires bridgework, such bridgework will be a Covered Dental Expense.

- (4) Orthodontic treatment, appliance therapy, and functional/myofunctional therapy. However, general anesthesia and X-rays required in connection with orthodontic treatment shall be covered under Paragraph B of this Section. Extractions which are required for and which are a part of the orthodontic treatment plan will be payable under this provision.

Section 5. Predetermination of Benefits

- A. If a course of treatment can reasonably be expected to involve Covered Dental Expenses of more than one hundred twenty-five dollars (\$125), a description of the procedures to be performed and an estimate of the dentist's charges must be filed with the Company prior to the commencement of the course of treatment. The Company will notify the employee and the dentist of the benefits payable based upon such course of treatment and of the expenses not covered. The expenses to be paid will be certified by the Company as payable under this Article.
- B. In determining the amount of benefits payable, professional consideration will be given to procedures, services, or courses of treatment that are customarily provided by the dental profession in conformity with good professional

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practices and standards that may be performed for the dental condition concerned. The amount included as Certified Covered Dental Expenses will be the reasonable and customary charge determined in accordance with the limitations set forth below. In the event alternate procedures or services are to be certified, no certification will be issued until the dentist has been contacted and requested to provide an explanation for the procedures or services in question.

- C. If a description of procedures to be performed and an estimate of the dentist's charges are not submitted in advance, the Company reserves the right to make a determination of benefits payable under this Article taking into account procedures, services or courses of treatment which will provide a professionally adequate result.
- D. This predetermination requirement will not apply to courses of treatment under one hundred twenty-five dollars (\$125) or to emergency treatment, oral examinations, X-rays or prophylaxis. A course of treatment is one (1) or more treatments in a planned series resulting from a dental examination.

Section 6. Limitations

A. Restorative:

- (1) Gold, baked porcelain restorations, crowns and jackets.

If a tooth can be restored with a material such as amalgam, appropriate payment for that procedure will be made toward the charge for another type of restoration selected by the patient and the dentist. The balance of the treatment charge will remain the responsibility of the patient.

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(2) Reconstruction.

Appropriate payment will be made toward the cost of procedures necessary to eliminate oral disease and to replace missing teeth. Appliances or restorations necessary to increase vertical dimension or restore the occlusion will be considered optional and their cost will remain the responsibility of the patient.

B. Prosthodontics:

(1) Partial Dentures.

If a cast chrome or acrylic partial denture will restore the dental arch satisfactorily, Dental Expense Benefits will cover the applicable percentage of the cost of such procedure toward a more elaborate or precision appliance that patient and dentist may choose to use, and the balance of the cost will remain the responsibility of the patient.

(2) Complete Dentures.

If, in the provision of complete denture services, the patient and dentist decide on personalized restorations or specialized techniques as opposed to standard procedures, Dental Expense Benefits will be allowed for the appropriate amount for the standard denture service toward such treatment and the balance of the cost will remain the responsibility of the patient.

(3) Replacement of Existing Dentures.

An existing denture will be replaced only if it is unsatisfactory and cannot be made satisfactory. Services which are necessary to render such appliances satisfactory will be provided in accordance with the Agreement. Prosthodontic appliances will be replaced only after five (5) years have elapsed following any prior provision of such appliances by any group program.

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C. Orthodontics:

- (1) If orthodontic treatment is terminated for any reason before completion, the obligation to pay benefits will cease with payment to the date of termination.
- (2) The monthly benefit payment obligation under the orthodontic benefits provision shall cease on the termination date of this Agreement unless renewed or extended.

Section 7. Exclusions

Covered Dental Expenses do not include and no benefits are payable for:

- A. Charges for which benefits are otherwise provided under this Health Benefit Plan.
- B. Charges for treatment by other than a dentist, except that scaling or cleaning of teeth may be performed by a licensed dental hygienist if the treatment is rendered under the supervision and guidance of the dentist.
- C. Charges for services and supplies that are solely cosmetic in nature, including charges for personalization or characterization of dentures.
- D. Charges for prosthetic devices (including bridges and crowns) and the fitting thereof which were ordered while the individual was not insured for Dental Expense Benefits or which were ordered while the individual was insured for Dental Expense Benefits but are finally installed or delivered to such individual more than sixty (60) days after termination of insurance.
- E. Charges for the replacement of a lost, missing or stolen prosthetic device.

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- F. Charges set forth in "Exclusions" applicable to all Articles.**
- G. Charges for failure to keep a scheduled visit with the dentist.**
- H. Charges for replacement or repair of a broken orthodontic appliance.**
- I. Services provided by dental laboratories or expanded dental auxiliaries unless such dental laboratories or dental auxiliaries are licensed in accordance with the requirements of the jurisdiction in which it is located.**

Section 8. Definitions

- A. The term "Dentist" means a legally licensed dentist practicing within the scope of his license. For the purposes of this Article, the term "Dentist" also includes a legally licensed physician authorized by his license to perform the particular dental services he has rendered.**
- B. The term "Reasonable and Customary Charge" means the actual charge of a dentist for services rendered or supplies furnished to the extent the fee is reasonable and does not exceed his usual charge for such service or supply, and does not exceed the customary fee for comparable services and supplies charged by dentists in the area with training, experience and professional standing similar to that of the dentist who renders the services or furnishes the supplies.**
- C. The term "Orthodontic Treatment" means the preventative and corrective treatment of all those dental irregularities which result from the anomalous growth and development of dentition and its related anatomic structures or as a result of accidental injury and which require repositioning of teeth to establish normal occlusion.**

Section 9. Coordination With Other Dental Expense Benefits

The Company shall follow the same procedures with respect to the Dental Expense Benefits concerning coordination of benefits as is set forth for Hospital, Surgical and Medical Benefits, except that only other dental expense benefits provided either by a group Dental Benefit Plan to which an employer contributes at least fifty percent (50%) of the cost, or a comprehensive medical plan providing dental benefits which meets the same qualifications will be considered.

**ARTICLE XIV
PSYCHIATRIC SERVICES
EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS**

Section 1. Inpatient Expense

If an insured employee or an insured employee's dependent shall be necessarily confined as a resident inpatient in a hospital (as defined in this Article) or Night Care Center, other than a hospital as defined in the Article entitled "Definitions," on account of a mental or nervous disorder and such confinement shall begin while such person is covered under this Article, benefits will be paid 100% for in-network covered services, subject to the provisions hereafter contained.

- A. If such person is confined as a resident inpatient in a hospital, in an amount equal to the hospital's regular daily rate for semi-private accommodations for each day of confinement but for not more than forty-five (45) days during any one (1) period of disability, provided that the number of days for which benefits are payable for a resident inpatient in a hospital will be reduced by one-half (1/2) the number of days for which benefits were paid during the same calendar year for confinement of such person as a resident inpatient in a Night Care Center.
- B. With respect to the resident inpatient described in Section 1-A above a new period will be established if sixty (60) consecutive days shall have elapsed during which the employee or dependent, as the case may be, is not confined as a resident inpatient in a hospital or a nursing home.
- C. If such person is confined as a resident inpatient in a Night Care Center, in an amount equal to the hospital's regular daily rate for Night Care accommodations and not in excess of the hospital's regular daily rate for semi-private accommodations but for not more than ninety (90) days during any one (1) calendar year, provided that the number

of days for which benefits are payable for a resident inpatient in a Night Care Center will be reduced by the number of days for which benefits were paid during the same calendar year for confinement of such person as a resident inpatient in a hospital multiplied by two (2).

Section 2. Psychiatric Services (Institutional)

- A. The benefits set forth below will be paid 100% for in-network covered services if an insured employee or an insured employee's dependent shall receive necessary psychiatric services under the supervision of a psychiatrist on account of a mental or nervous disorder while such person is covered under this Article, and such service is rendered and billed for as regular institutional care
- (1) by a hospital (as defined in this Article);
 - (2) by a Community Mental Health Center;
 - (3) by a Day Care Center;
 - (4) by a Night Care Center; or
 - (5) by an Out-patient Psychiatric Clinic.
- B. Benefits will be paid, subject to the provisions hereinafter contained, for
- (1) professional and other staff services and other ancillary services including electroshock therapy, anesthetic for electroshock therapy, psychological testing and family counseling; and
 - (2) prescribed drugs and medications dispensed by the facility rendering treatment including such drugs and medications consumed by the patient outside the treatment facility.

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Section 3. Psychiatric Services (Medical Doctor)

A. If an insured employee or an insured employee's dependent shall necessarily receive psychiatric services rendered by a psychiatrist or other medical doctor on account of a mental or nervous disorder while such person is covered under this Article, and such service is rendered

- (1) in a psychiatrist's or other medical doctor's office;
- (2) in a hospital, Community Mental Health Center, Day Care Center, Night Care Center or an Outpatient Psychiatric Clinic; or
- (3) in such person's home;

and if the charges for such service exceed the benefits payable under any other Article of this program, benefits will be paid 100% for in-network covered services, subject to the Benefit Limits hereinafter contained.

B. Benefit Limits

- (1) Benefits shall not be paid for more than one (1) visit on any day.
- (2) No benefits will be paid for any home visit after the first visit during any one (1) calendar year.
- (3) No benefits will be paid for any visit to a Night Care Center after the forty-fifth (45th) visit during any one (1) calendar year.

Section 4. Psychological Examination

If an insured employee shall incur expense on account of himself or his dependent for psychological testing other than testing covered under Section 2 of this Article by a psychologist, made at the request of a medical doctor in the course of treatment of such person on account of a mental or nervous disorder and such expense is incurred while such person is covered under this Article, benefits will be paid 100% for in-network covered services.

Section 5. Family Counseling

A. If an insured employee shall incur expense on account of himself or his dependent for visits made to the office of a medical doctor by the family of such person for counseling services in connection with a mental or nervous disorder of the employee or dependent, as the case may be, and such expense is incurred while such person is covered under this Article, benefits will be paid 100% for in-network covered services, subject to the Benefit Limits.

B. Benefit Limits

Benefits shall not be payable for more than five (5) visits when the patient is an adult or twenty (20) visits when the patient is a child during any one (1) calendar year.

Section 6. Extended Benefit

The provisions of this Article shall also apply to expenses incurred within three (3) months from the date such person ceases to be covered under this Article; provided such person shall have been totally disabled by a mental or nervous disorder at the date he shall have ceased to be covered under this Article, and shall be continuously so disabled to the date of each such expense incurred.

Section 7. Exclusions and Limitations

A. The term "hospital" as used herein means:

- (1) An institution which meets all of the following tests:
 - a. It is duly licensed as a hospital in accordance with the requirements of the jurisdiction in which it is located.
 - b. It is engaged primarily in providing twenty-four (24) hour a day medical care and treatment of sick and injured persons on an inpatient basis at the patient's expense and maintains diagnostic and

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therapeutic facilities on the premises for medical diagnosis and treatment of such persons by or under the supervision of a staff of duly qualified physicians, one (1) or more of whom are on duty on the premises at all times.

- c. It maintains a daily medical record of such patient.
 - d. *It continuously provides twenty-four (24) hour a day nursing service by professional nurses who have the right to use the title "Registered Nurse" and the abbreviation "R.N."*
 - e. It is not, other than incidentally, a place of rest, a place for the aged, a place for custodial care, a nursing home, a convalescent home, a place for drug addicts, or a place for alcoholics.
- (2) A hospital, other than a tuberculosis hospital, as such term is defined in Medicare, which is qualified to *participate and eligible to receive payments under and in accordance with the provisions of Medicare.*

B. Exclusions and Limitations

No payment will be made under this Article

- (1) for any day of confinement, service rendered or examination made which is not recommended by a duly qualified physician;
- (2) for charges made by a physician who is not a medical doctor (M.D.);
- (3) for charges incurred on account of services, *other than diagnostic services, for mental deficiency or retardation; or*
- (4) for charges incurred on account of treatment of a mental or nervous disorder which is not amenable to *favorable modification by accepted psychiatric treatment.*

ARTICLE XV
PROSTHETIC DEVICE AND DURABLE MEDICAL
EQUIPMENT EXPENSE BENEFITS
EMPLOYEES AND DEPENDENTS

Section 1. Prosthetic Device Benefits

A. Eligibility

Prosthetic device benefits will be payable if a prosthetic device is received by an insured employee or an insured employee's dependent as a result of accidental bodily injury or sickness on the order of a physician when payment for such device is not otherwise covered under the Program. Payment will be made for such device at 100% for in-network covered services.. Payment may be made directly to the provider or supplier of such device.

B. Definition

- (1) "Prosthetic Device" means a Centers of Medicare and Medicaid Services (CMS)/Medicare approved device which replaces all or part of a body organ (including contiguous tissue) or a diseased, malformed, or injured portion of the body or replaces all or part of the function of a permanently inoperative or malfunctioning bodily organ, or portion of the body, including, but not limited to, leg, arm, back and neck braces, trusses and artificial legs, arms, and eyes, and terminal devices such as hand hooks furnished on the order of a physician. Replacements of unusable prosthetic devices or repairs of these devices when furnished on a physician's order, and supplies and equipment not having any use other than in connection with the use of the prosthetic device and which are necessary for the effective use of the prosthetic device will also be covered.

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- (2) The term "Prosthetic Device" includes post-surgical lenses customarily used during convalescence from eye surgery in which the lens of the eye was removed, or used to replace a congenitally absent lens of the eye. In addition, combinations of prosthetic lenses are covered when determined to be medically necessary by a physician to restore essentially the vision provided by the crystallin lens of the eye. This benefit shall include coverage for such lenses when provided by an optometrist if the lenses were prescribed by an ophthalmologist.
- (3) "Prosthetic Device" shall include colostomy and ureterostomy supplies such as bags, belts, tubing, and stoma adhesive except for colostomy and ureterostomy supplies not having any use other than in connection with the use of the prosthetic device.
- (4) "Prosthetic Device" shall include a tracheostomy speaking valve, an apparatus that aids tracheotomy patients in speaking.

C. Exclusions

Dentures, other dental appliances, hearing aids and glasses and contact lens prescribed to correct visual defects are excluded. Also excluded are nondurable items such as support garments, special shoes, (unless an integral part of a leg brace), and elastic support bandages.

Section 2. Durable Medical Equipment

A. Eligibility

Durable Medical Equipment Benefits will be payable if durable medical equipment is received by an insured employee or an insured employee's dependent as a result of accidental bodily injury or sickness on the order of a physician for use, when not confined as an inpatient in a hospital, nursing home, or any other institution for the treatment of such accidental bodily injury or sickness, or to

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improve the functioning of a malformed body member when payment for such equipment is not otherwise provided for under the Program.

B. Payment

Payment will be made for rental of such equipment at 100% for in-network covered services. Payment may be made directly to the provider or supplier of the equipment. The company may approve purchase of such equipment if it can reasonably be assumed that the duration of need is such that the rental price would exceed the purchase price, or said items cannot be made available on a rental basis.

C. Definition

"Durable Medical Equipment" means CMS/Medicare approved medical equipment which (1) can withstand repeated use, (2) is primarily and customarily used to serve a medical purpose, (3) generally is not useful to a person in the absence of illness or injury, and (4) is appropriate for medical treatment in the home and includes, but is not limited to, such items used for treatment as an iron lung, oxygen tents, hospital-type beds and equipment, wheelchairs, crutches, canes, walkers, inhalators, traction equipment, nebulizers and suction machines, toilet aids, circulatory aids, neuromuscular stimulants, and glucose monitors for insulin-dependent type I diabetes where there is documentation by the physician of poor control (i.e., widely fluctuating blood sugar before mealtime, frequent episodes of insulin reactions, evidence of frequent ketosis) or dependent type I diabetes mellitus complicated by pregnancy. "Durable Medical Equipment" shall include the rental of continuous passive motion devices prescribed within three (3) days of surgery for use during a period not to exceed thirty (30) days unless extended by written order of the prescribing physician. In addition to coverage for pressure gradient supports (also known as burn pressure garments), when prescribed to enhance healing and prevent scarring of burn patients, coverage will be provided when prescribed for circulatory insufficiency conditions to

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promote and restore normal fluid circulation in the extremity (up to four times annually for chronic conditions unless there is a change in physical conditions such as gain or loss of weight of the patient). "Durable Medical Equipment" shall include phototherapy (a light with photometer) when used to treat jaundice in newborns and bead seats when prescribed by a physician to be used to prevent ulcers for a child bound to a wheelchair. Transtracheal catheters for administering oxygen will be covered subject to review on a case by case basis to ensure proper use and training in the use of the equipment. Coverage will be provided for jaw motion rehabilitation systems, including cushions and replacement measuring scales, used to strengthen the range of motion for persons who have limited motion range, weakness of the muscles for mastication or speech but excluding such devices used to treat conditions of temporomandibular joint dysfunction. Coverage will be provided for persons requiring therapeutic shoes purchased due to severe diabetes. Benefits will not be paid for special features or equipment such as motor drive beds and wheelchairs requested by the patient for personal comfort or convenience unless medically necessary.

D. Exclusions

"Durable Medical Equipment" does not include dentures; hearing aids; eyeglasses; contact lens or equipment which is primarily and customarily used for nonmedical purposes such as heat lamps; air conditioners and other devices and equipment used for environmental control or to enhance the environmental setting in which the patient is placed such as room heaters, humidifiers, dehumidifiers and other equipment which basically serve comfort or convenience; special pad or mattress to prevent decubitus ulcers, (except in case of advanced neurological disorders) and bed bath types of equipment which basically are utilized for hygienic purposes; prosthetic devices; any other item or device which does not stand repeated use such as elastic stockings, face mask, irrigating kits, ace bandages, orthopedic shoes, (or other devices that do not serve a meaningful and necessary therapeutic purpose) in the care and treatment of the patient.

ARTICLE XVI
OUTPATIENT PHYSICAL THERAPY BENEFITS
EMPLOYEES AND DEPENDENTS

Other Than a Hospital

- A. Outpatient physical therapy benefits will be payable for services performed for a period of 60 treatment days per calendar year when prescribed by a physician for a specified condition resulting from disease or injury or prescribed immediately following surgery related to the condition and when the physical therapy is performed in an approved comprehensive physical therapy facility. Only a facility that has been approved by the Company can be an approved comprehensive physical therapy facility.

Nursing homes and rehabilitation centers may be approved as a comprehensive physical therapy facility. However, the offices of medical doctors, chiropractors, osteopathic physicians and the offices of other similar providers may not, under any circumstances, be approved as a comprehensive physical therapy facility.

Such services must be performed by a physician or a qualified physical therapist. There must be a prescription from a physician concerning the nature, frequency and duration of treatment if the services are performed by a qualified physical therapist.

- B. Consultation services of a physician who is a specialist in rehabilitation or physical medicine when requested by the physician in charge of the case where special skill or knowledge for proper diagnosis and treatment is required, will be provided once during or preceding a course of physical therapy treatment whether charged by the physician or charged by the institution where the service is rendered.
- C. A "qualified physical therapist" is a graduate of a program of physical therapy approved by the Council on Medical Education of the American Medical Association in

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collaboration with the American Physical Therapy Association or its equivalent, and, where applicable, is licensed by the state.

- D. Physical therapy shall include functional occupational therapy to the extent that such therapy is performed to regain use of the upper extremities and such therapy is performed in a facility otherwise approved for physical therapy. Occupational therapy shall not include vocational therapy or vocational rehabilitation nor educational or recreational therapy.
- E. *Payment will be made at 100% for in-network covered services or subject to the point of service benefits for out-of-network covered services.*

ARTICLE XVII
QUALIFIED NURSING HOME EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS

Section 1. Injury or Sickness
(Other Than Mental or Nervous Disorder)

- A. Benefits as set forth below will be paid 100% for in-network covered services or subject to point of service benefits for out-of-network covered services if an insured employee or an insured employee's dependent shall be necessarily confined, on orders of a duly qualified physician, as a resident inpatient in a qualified nursing home, on account of an accidental bodily injury or sickness not hereinafter excepted, other than a mental or nervous disorder, and if a duly qualified physician renders therapeutic treatment to such person, and such person shall
- (1) be admitted directly from his residence; or
 - (2) have been a resident inpatient in a hospital and shall have been transferred to such qualified nursing home immediately after termination of his hospital confinement.
- B. Such confinement as described in A must begin
- (1) While such person is covered under this Article, or
 - (2) Within three (3) months from the date such person ceases to be covered under this Article provided such person shall have been totally disabled by bodily injury or sickness at the date he shall have ceased to be covered under this Article, and shall have been continuously so disabled to the date of commencement of such confinement.
- C. Benefits will be paid, subject to the provisions hereinafter contained, in an amount equal to the rate for a semi-private room made by the qualified nursing home for room and

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board and necessary medical care and treatment for the first seven hundred thirty (730) days of such confinement during any one (1) period of disability, subject to restoration of benefits as stated in Section 3 of this Article.

- D. The number of days for which benefits are provided under C above will be reduced by the number of days for which benefits were paid during the same period of disability under Article VII or Article XIV hereof multiplied by two.
- E. Such confinement as described in A above must be certified as necessary, by a duly qualified physician, on the fourteenth (14th) day and every thirty (30) days thereafter during the same period of disability.

Section 2. Mental or Nervous Disorder

- A. The benefits as set forth below will be paid 100% for in-network covered services if an insured employee or an insured employee's dependent shall have been necessarily confined upon the recommendation of a physician as a resident inpatient in a hospital on account of a mental or nervous disorder not hereinafter excepted for a period of at least five (5) consecutive days and shall have been transferred, on orders of a duly qualified physician, to a qualified nursing home on account of the same mental or nervous disorder immediately after termination of such confinement and provided such confinement in a hospital shall begin

- (1) While such person is covered under this Article, or
- (2) Within three (3) months from the date such person ceases to be covered under this Article provided such person shall have been totally disabled by bodily injury or sickness at the date he shall have ceased to be covered under this Article, and shall have been continuously so disabled to the date of commencement of such confinement.

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- B. Benefits will be paid, subject to the provisions hereinafter contained, in an amount equal to the rate for a semi-private room made by the qualified nursing home for room and board and necessary medical care and treatment for the first seven hundred thirty (730) days of such confinement during any one (1) period of disability, subject to restoration of benefits as stated in Section 3 of this Article.
- C. The number of days for which benefits are provided under B above will be reduced by the number of days for which benefits were paid during the same period of disability under Article VII or Article XIV hereof multiplied by two.
- D. Such confinement must be certified as necessary, by a duly qualified physician, on the fourteenth (14th) day and every thirty (30) days thereafter during the same period of disability.
- E. A duly qualified physician must continue to render therapeutic treatment to such person while necessarily confined in such qualified nursing home.

Section 3. Restoration of Benefits

- A. If an employee or his dependent covered hereunder shall become entitled to the maximum number of days of confinement provided under this Article, the amount of his benefits hereunder may be restored upon receipt by the Company of evidence that
 - (1) the employee shall not have been confined as a resident inpatient in a hospital, qualified nursing home or other institution for at least two (2) consecutive weeks; or
 - (2) the dependent shall not have been confined as a resident inpatient in a hospital, qualified nursing home or other institution for at least sixty (60) consecutive days; or

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- (3) if the later confinement is due to an injury or sickness entirely unrelated to the cause of the earlier confinement.

- B. If any of the benefits herein set out become exhausted with respect to an employee or a dependent, they will be reinstated one (1) year from the date of the last claim for which payment was made.

Section 4. Exclusions and Limitations

No payment shall be made under this Article in any event with respect to

- A. charges incurred in connection with confinement which is not recommended and approved by a duly qualified physician;
- B. charges incurred in connection with injury or sickness for which benefits are payable under Article VII and Article XIV;
- C. charges that the employee would not be required to pay if there were no insurance;
- D. charges for any medication not prescribed by a duly qualified physician;
- E. charges incurred in connection with drug addiction, chronic brain syndromes, alcoholism and senile deterioration; except charges incurred where there coexists a definable medical condition which requires treatment; or
- F. charges incurred in connection with confinement which is primarily domiciliary or custodial in nature.

ARTICLE XVIII
VISION CARE EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS

Section 1. Eligibility

Benefits will be paid to an employee if an insured employee or an insured employee's dependent incurs Vision Care Expense as hereinafter provided and such expenses are incurred on or after the effective date of coverage for such insured employee.

Section 2. Covered Vision Care Benefits

Benefits will be paid to the employee subject to the limitations and provisions hereinafter contained for charges by an Ophthalmologist, Optometrist or Optician as follows:

- A. Vision examination but not more than one (1) in any period of 24 consecutive months from the latest examination for employees and for dependents over age 16, 12 consecutive months from the latest examination for dependents age 16 and under, except as provided below. A vision examination (including history, testing visual acuity, external examination of the eye, binocular measure, ophthalmoscopic examination, tonometry when indicated, medication for dilating the pupils and desensitizing the eyes for tonometry, if applicable, and summary and findings) shall be for the purpose of determining the need for correction of visual acuity, prescribing lenses, if needed, and confirming the appropriateness of eyeglasses obtained under the prescription.

Benefits will be provided for an additional visual examination (as defined above) performed by an ophthalmologist, upon referral in writing by an optometrist, within 60 days of a vision examination by the optometrist.

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- B. Necessary materials and professional services to order, prepare, fit and adjust single vision, bifocal, trifocal, lenticular or contact prescription lenses once during any period of 24 consecutive months for employees and for dependents over age 16, 12 consecutive months for dependents age 16 and under.
- C. Frames once in any period of 24 consecutive months from the last receipt of frames, and then only if new lenses are prescribed.
- D. Determination of the 12- and 24-consecutive-month periods for lenses and frames will be based on the date of examination.

Section 3. Preferred Provider Arrangement (Where Available)

- A. The benefit payable in any period of 12 or 24 consecutive months for vision examination as provided in Section 2-A shall be 100% for covered exam after \$5 copayment.
- B. The benefit payable in any period of 12 or 24 consecutive months for materials and professional services as provided in Section 2-B shall be as follows:
 - (1) Single Vision Lenses 100% for covered lenses after \$10 copayment
 - (2) Bifocal Vision Lenses 100% for covered lenses after \$10 copayment
 - (3) Trifocal Vision Lenses 100% for covered lenses after \$10 copayment
 - (4) Lenticular Vision Lenses 100% for covered lenses after \$10 copayment
 - (5) Contact Lenses 100% for covered lenses after \$50 copayment

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- C. The benefit payable in any period of 24 consecutive months for frames shall be 100% for covered frames after \$10 copayment.
- D. The limitations provided in this Section shall apply whether or not a claim for benefits is for replacement of lost, stolen or broken lenses, contact lenses or frames.

Section 4. Indemnity Limits

- A. The maximum benefit payable in any period of 12 or 24 consecutive months for vision examination as provided in Section 2-A shall be the actual charge but in no event more than:

Examination By:	
Ophthalmologist	\$43.70
Optometrist	35.00

- B. The maximum benefit payable in any period of 12 or 24 consecutive months for materials and professional services as provided in Section 2-B shall be the actual charge for two (2) lenses but not more than:

(1) Single Vision- per lens	\$18.50
(2) Bifocal- per lens	27.25
(3) Trifocal- per lens	36.00
(4) Lenticular- per lens	44.70
(5) Contact- per lens	27.25

- C. The maximum benefit payable in any period of 24 consecutive months for frames as provided in Section 2-C shall be:

For Expenses Incurred For	
Frames	\$25.80

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- D. The limitations provided in this Section shall apply whether or not a claim for benefits are for replacement of lost, stolen or broken lenses, contact lenses or frames.

Section 5. Exclusions

Covered Vision Care Expenses do not include and no benefits are payable for:

- A. Lenses which do not require a prescription.
- B. Charges for which benefits are otherwise provided under this Health Benefit Plan.
- C. Procedure determined to be special or unusual, such as, but not limited to, orthoptics, vision training, subnormal vision aids and aniseikonic lenses.
- D. Vision examinations or materials furnished for any condition, disease, ailment, or injury arising out of and in the course of employment.
- E. Services rendered and materials ordered:
- (1) before the employee became eligible for this benefit.
 - (2) after termination of the insured employee's employment; except for materials ordered while covered by this Plan and delivered within thirty (30) days after the date of termination.
 - (3) for which the employee is not charged or is not obligated to pay.
- F. Charges for failure to keep a scheduled visit with the Ophthalmologist, Optometrist or Optician.

Section 6. Contract Providers

The Company will attempt to establish provider contracts with suppliers of the materials and services provided in Sections 2-B and 2-C of this Article, in certain areas in which the Company has employees. The establishment of such contracts shall provide a predetermined selection of prescription lenses and eye glass frames without cost except the employee will bear a portion of the cost for contact lenses. The selection of lenses and frames other than the predetermined variety offered, or of contact lenses, shall result in payment by the employee of an amount equivalent to the amount that the employee would have paid in the absence of such contracts.

**ARTICLE XIX
ADDITIONAL PROVISION AS A
CONSEQUENCE OF MEDICARE FOR
RETIRED OR DISABLED EMPLOYEES
HIRED PRIOR TO 1 OCTOBER 1997
AND THEIR DEPENDENTS**

Section 1. Persons Subject to This Provision

Each retired or disabled employee and his qualified dependents, or the surviving spouse of an active employee or retired employee and the deceased employee's/retiree's qualified dependents, who are covered under this Plan and for whom Medicare would be the primary payor for health care benefits, shall be subject to this provision.

Section 2. Amount of Benefit

Benefits will be paid under this Plan for charges that are not payable by Medicare but that would have been payable under this Plan in the absence of Medicare.

In addition, benefits are payable for any charges not otherwise payable under the John Deere Traditional Option but which are used to satisfy any Medicare deductible or coinsurance.

Section 3. Payment of Benefits

If a person subject to this provision is enrolled in a Managed Care Organization (MCO) which has contracted with Medicare to provide a comprehensive health benefit for Medicare eligible beneficiaries, such person is required to enroll in the MCO's Medicare product.

Section 4. Premium Reimbursement

When persons subject to this provision become eligible for Medicare, the Company will reimburse the employee or surviving spouse for Part B of Medicare based on the following schedule. Reimbursement shall not exceed the actual charge.

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A dependent will not be eligible for the reimbursement if they are eligible to receive a Medicare reimbursement from another employer. Upon proof of enrollment in Medicare Part B, reimbursement will be as follows:

PREMIUM REIMBURSEMENT PER PERSON

1 Jan 2004	\$69.50
1 Jan 2005	\$73.75
1 Jan 2006	\$78.25
1 Jan 2007	\$83.00
1 Jan 2008	\$88.00
1 Jan 2009	\$93.25

Section 5. Lifetime Reserve

A person eligible for Medicare and who has exhausted the maximum 90 days of hospital benefits during a benefit period under Medicare shall be required to use the 60 days of hospital lifetime reserve benefits to which such person is entitled under Medicare. The lifetime reserve must be used before the 365-day benefit provided under this Plan is applied. In such cases 60 days will be added to the 365 days provided in Article VII of this Plan. The Company will be responsible for initiating procedures for the person to make appropriate application to use this lifetime reserve.

**ARTICLE XX
ALCOHOLISM AND/OR DRUG DEPENDENCY
EXPENSE BENEFITS
EMPLOYEES AND DEPENDENTS**

Section 1. Inpatient Expense

- A. Benefits will be payable as hereinafter provided, if an insured employee or an insured employee's dependent is necessarily confined as a patient in an Approved Residential Facility for the treatment of alcoholism and/or drug dependency. Payment will be made at 100% for in-network covered services which are received in such facility.
- B. Benefits will be paid for the following covered services:
- (1) Room and board, including nursing services for not more than 45 days, including aftercare visits as specified in the treatment plan, during any covered period of treatment; except that one day shall be deducted from such 45 days for each one day that an employee or dependent is confined in a hospital and for each two days that an employee or dependent is confined in a nursing home due to alcoholism and/or drug dependency, or nervous or mental conditions which are related to the treatment in the facility. Such confinements, or part thereof, not separated by 60 consecutive days shall be deemed to be related treatment.
 - (2) Laboratory tests related to treatment received at the facility.
 - (3) Drugs, biologicals and solutions dispensed by the facility for use during confinement.
 - (4) Supplies and use of equipment required for detoxification and/or rehabilitation (other than recreational, hobby or craft) which conform to the treatment plan established by the physician for the patient.

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- (5) Professional and other trained staff and other ancillary services provided in the facility required for the care and treatment of the patient. Ancillary services include all special institutional services and supplies charged by the facility except services and supplies not related or not necessary to the medical care and treatment of the patient.
- (6) Individual and group therapy for the patient; individual counseling for the patient; and counseling for other members of the family of the patient undergoing treatment to the extent that such counseling is necessary and related to the treatment of the patient.
- (7) Fixed charges for patient participation in an approved aftercare program which follows release from treatment in an Approved Inpatient Facility. Such program shall not exceed a period of 12 consecutive months following the first day of commencement in the program. Charges shall be paid only when the program certifies that the patient is continuously participating in the program.

Section 2. Outpatient Expense

- A. Benefits will be payable as hereinafter provided, if an insured employee or an insured employee's dependent receives treatment as a patient in an Approved Outpatient Facility on account of alcoholism and/or drug dependency. Payment will be made at 100% for in-network covered services for no more than 35 visits to any such facility in any one calendar year nor for more than 140 visits during the lifetime of the employee or dependent.
- B. Benefits will be paid for the following covered services:
 - (1) Professional and other trained staff and ancillary services provided in the facility, necessary for the care and treatment of the ambulatory patient. Ancillary services include all special institutional services and supplies charged by the facility except services and supplies not related or not necessary to the medical care and treatment of the patient.

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- (2) Individual and group therapy for the patient; individual counseling for the patient; and counseling for other members of the family of the patient undergoing treatment to the extent that such counseling is necessary and related to the treatment of the patient.
- (3) Laboratory tests related to the treatment received at the facility.
- (4) Drugs, biologicals, solutions and supplies dispensed at the facility in connection with treatment received including take-home drugs.
- (5) Fixed charges for patient participation in an approved aftercare program which follows release from treatment in an Approved Outpatient Facility. Such program shall not exceed a period of 12 consecutive months following the first day of commencement in the program. Charges shall be paid only when the program certifies that the patient is continuously participating in the program.

Section 3. Certification for Treatment

- A. Before benefits are available for services in Approved Residential and Outpatient Facilities, a physician must examine the patient and assign a diagnosis of alcoholism and/or drug dependency as classified in categories 303.0-304.7 of the Eighth Revision, International Classification of Diseases, Adopted for Use in the United States, U.S. Department of Health, Education and Welfare. Treatment in any such facility must be rendered under the supervision and management of a physician.
- B. An Approved Residential or Outpatient Facility means a facility which provides detoxification and rehabilitation services and which has been approved by the Company.

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- C. An "Approved Residential Facility" shall be deemed to be a hospital for the purpose of determining benefits payable in accordance with the Disability Benefit Plan. Benefits shall not be payable under the Disability Benefit Plan in connection with treatment in an "Approved Outpatient Facility."

Section 4. Exclusions and Limitations

Benefits are not payable for:

- A. Charges for services for which benefits are otherwise provided under any health benefit program provided through the Company to employees and their dependents.
- B. Charges for personal and convenience items such as telephone, television, personal care items and personal services.
- C. Charges for diversional activities such as recreational, hobby or craft equipment or fees.
- D. Charges for dispensing of methadone and/or taking urine specimens without individual or group therapy, individual counseling or psychological testing.
- E. Charges for services rendered primarily in connection with disorders other than alcoholism and/or drug dependence.
- F. Except as provided in Section 1-B-(1), charges for treatment incurred unless, in the case of an employee, he or she has returned to full-time work after the end of a prior period of treatment for at least 60 consecutive days before commencing a succeeding period of treatment, or in the case of a dependent, such dependent had resumed normal activity after the end of a prior period of treatment for a continuous period of at least three months before commencing a succeeding period of treatment.
- G. Charges for services rendered to a person not insured for benefits under any health benefit program provided through the Company to employees and their dependents.

ARTICLE XXI
HEARING AID EXPENSE BENEFITS
EMPLOYEES AND THEIR DEPENDENTS

Section 1. Eligibility

Benefits will be paid to an employee if an insured employee or an insured employee's dependent incurs Hearing Aid Expense as hereinafter provided and such expenses are incurred on or after the effective date of coverage for such insured employee. Payment may be made directly to the provider or dealer.

Section 2. Covered Hearing Aid Benefits

Benefits will be paid to the employee subject to the limitations and provisions hereinafter contained for charges as follows:

- A. Audiometric examination performed by an otologist, otolaryngologist or audiologist.
- B. Hearing aid evaluation test performed by otologist, otolaryngologist or audiologist, which may include the trial and testing of various makes and models of hearing aids to determine which make and model will best compensate for the loss of hearing acuity but only when indicated by the most recent audiometric examination.
- C. Hearing aids of the following functional design: in-the-ear, behind-the-ear (including air conduction and bone conduction types) and on-the-body, but only if (a) the hearing aid is prescribed based upon the most recent audiometric examination and most recent hearing aid evaluation examination, and (b) the hearing aid provided by the dealer is the make and model prescribed by the otologist, otolaryngologist or audiologist and is certified as such by the otologist, otolaryngologist or audiologist. Benefits will be payable for binaural hearing aids for persons with a hearing loss in both ears.

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Section 3. Preferred Provider Arrangement (Where Available)

- A. Benefits will be payable for no more than one (1) audiometric examination, hearing aid evaluation test or hearing aid received in any period of 36 consecutive months after receipt of the most recent previous audiometric examination, hearing aid evaluation test and hearing aid, respectively, for which benefits were payable under this Plan.
- B. The benefit payable in any period of 36 consecutive months for an audiometric examination, hearing aid evaluation test or hearing aid shall be:
- | | |
|-----------------------------|--|
| (1) audiometric examination | 100% for covered audiometric examination |
| (2) hearing aid evaluation | 100% for covered hearing aid examination |
| (3) hearing aid | 100% for covered hearing aid |
| (4) binaural hearing aid | 100% for covered binaural hearing aid |
| (5) dispensing fee | 100% for covered dispensing fee |
- C. If the employee or the employee's dependent shall request unusual services from an otologist, otolaryngologist, audiologist or dealer, such person shall pay the full additional charge therefor.

Section 4. Indemnity Limits

- A. Benefits will be payable for no more than one (1) audiometric examination, hearing aid evaluation test or hearing aid received in any period of 36 consecutive months after receipt of the most recent previous audiometric examination, hearing aid evaluation test and hearing aid, respectively, for which benefits were payable under this Plan.

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- B. The maximum benefit payable in any period of 36 consecutive months for an audiometric examination, hearing aid evaluation test or hearing aid shall be the actual charge but in no event more than:**
- (1) audiometric examination - \$30.00**
 - (2) hearing aid evaluation test - \$40.00**
 - (3) hearing aid - \$225 plus a dispensing fee of \$125**
 - (4) binaural hearing aid - \$450 plus a dispensing fee of \$190**
- C. If the employee or the employee's dependent shall request unusual services from an otologist, otolaryngologist, audiologist or dealer, such person shall pay the full additional charge therefor.**

Section 5. Exclusions

Covered Hearing Aid Expenses do not include and no benefits are payable for:

- A. Medical or surgical treatment.**
- B. Drugs or other medication.**
- C. Audiometric examinations, hearing aid evaluation tests and hearing aids provided under any applicable Worker's Compensation law.**
- D. Audiometric examinations and hearing aid evaluation tests performed, and hearing aids ordered:**
 - (1) Before the covered person became eligible for coverage.**
 - (2) After termination of coverage.**

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- E. Hearing aids ordered while covered but delivered more than 60 days after termination of coverage.
- F. Charges for audiometric examinations, hearing aid evaluation tests and hearing aids for which no charge is made to the covered person or for which no charge would be made in the absence of Hearing Aid Expense Benefits Coverage.
- G. Charges for audiometric examinations, hearing aid evaluation tests and hearing aids which are not necessary, according to professionally accepted standards of practice..
- H. Charges for audiometric examinations, hearing aid evaluation tests and hearing aids that do not meet professionally accepted standards of practice, including charges for any such services or supplies that are experimental in nature.
- I. Charges for audiometric examinations, hearing aid evaluation tests and hearing aids, received as a result of ear disease, defect or injury due to an act of war, declared or undeclared.
- J. Charges for audiometric examinations, hearing aid evaluation tests and hearing aids provided by any governmental agency that are obtained by the covered person without cost by compliance with laws or regulations enacted by any federal, state, municipal or other governmental body.
- K. Charges for any audiometric examinations, hearing aid evaluation tests and hearing aids to the extent benefits therefor are payable under any health care program supported in whole or in part by funds of the federal government or any state or political subdivision thereof.
- L. Replacement of hearing aids that are lost or broken unless at the time of such replacement the covered person is otherwise eligible under the indemnity limits set forth in Section 3-A of this Article.

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- M. Charges for the completion of any insurance forms.**
- N. Replacement parts for and repairs of hearing aids.**
- O. Eyeglass-type hearing aids, to the extent the charge for such hearing aid exceeds the covered hearing aid expense for one hearing aid under Section 3-B.**
- P. Charges for failure to keep a scheduled visit with an otologist, otolaryngologist or audiologist.**

Section 6. Contract Provider

The Company will attempt to establish provider contracts with dealers of hearing aids as defined in Section 2 of this Article, in certain areas in which the Company has employees. The establishment of such contracts shall provide audiometric examination, hearing aid evaluation tests, and predetermined selection of hearing aids without cost to the employee provided all such services and devices are received through a contract provider.

ARTICLE XXII CATASTROPHIC MEDICAL EXPENSE BENEFITS

Section 1. Eligibility

Benefits will be paid if an insured employee or an insured employee's dependent incurs Catastrophic Medical Expense as hereinafter provided.

Section 2. Covered Catastrophic Medical Expense

A. Subject to the limitations and provisions hereinafter contained, if an insured employee or an insured employee's dependent shall be necessarily confined as a resident patient of a hospital after exhaustion of the benefits under Article VII, Section 1-B of this Plan, benefits will be paid for the following necessary health care services in respect to such continuing disability on account of accidental bodily injury or sickness:

- (1) Hospital charges as provided in Article VII, without limitation of 365 days.
- (2) Nonsurgical physician's charges as provided in Article IX without the Indemnity Limits set forth in Section 1-A-(2) of that Article.

B. If an insured employee or an insured employee's dependent necessarily receives services of a graduate registered nurse, subject to the limitations and provisions hereinafter contained, benefits will be paid to the extent that such charges are not rendered by a member of the employee's family, and the first \$100 of such charges in a calendar year are paid by the employee.

Section 3. Indemnity Limits

Payment for charges for health care services described in Section 3 shall be 80% of the first \$10,000 of such charges in respect of any one (1) disability, and 100% of such charges in excess of \$10,000, subject to a maximum total benefit under this Article of \$50,000 for any person for his or her lifetime.

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Section 4. Exclusions and Limitations

No payment shall be made under this Article in respect to charges for services for which benefits are otherwise provided under any health benefit program provided through the Company to employees and their dependents.

ARTICLE XXIII SPEECH THERAPY

Section 1. Covered Speech Therapy

Outpatient speech therapy benefits will be payable for services performed for a period of 60 treatment days per calendar year when:

- A. Prescribed by a physician for an employee or an employee's dependent for a residual speech impairment resulting from:
 - (1) a cerebral vascular accident or
 - (2) accidental injury to the head or neck or
 - (3) surgery to the head or neck or
 - (4) for children under age 6, congenital and severe developmental speech disorders, and where therapy is not available through public agencies (e.g., state, school), and
- B. The speech therapy is performed in the outpatient department of a hospital or in a nursing home as defined under Article VI of this Plan, or in other facilities (such as speech rehabilitation centers as a part of a university speech program) having comprehensive speech therapy facilities which are approved by the Company.

Section 2. Exclusions and Limitations

No benefits shall be payable for long-standing, chronic conditions or inherited speech abnormalities. Services must be performed by a qualified speech therapist according to a prescription from a physician concerning the nature, frequency and duration of treatment. A "qualified speech therapist" is an audiologist who (1) possesses a Master's or Doctorate Degree

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in Audiology and Speech Pathology from an accredited university, (2) possesses a Certificate of Clinical Competence in Audiology from the American Speech and Hearing Association and (3) where applicable, is licensed by the state. Payment will be made for such therapy at 100% for in-network covered services or subject to point of service benefits for out-of-network covered services.

ARTICLE XXIV
EXCLUSIONS AND LIMITATIONS APPLICABLE
TO ALL ARTICLES OF THE PLAN

Section 1.

No payment shall be made under the Plan in any event with respect to:

- A. Charges incurred in connection with injury or sickness for which benefits are payable by any employer in accordance with the provisions of any Workers' Compensation or similar law. This exclusion covering disabilities growing out of employment with any employer will not apply when the other employer is not required under applicable state law to be a covered employer under the Workers' Compensation Laws.
- B. Charges incurred while the employee or dependent, as the case may be, is confined in a hospital operated by the United States of America or an agency thereof, or charges which the employee himself would not be legally required to pay except charges for health care services supported in whole or part by funds of the Federal Government under Title XIX of the Social Security Amendments of 1965 (Public Law 89-97, 89th Congress, First Session).
- C. Charges incurred on account of a dependent in connection with any hospital confinement or surgical operation or medical care and treatment for which the dependent is entitled to benefits under the program as an employee or former employee of the employer.
- D. Charges incurred on account of a dependent in connection with any hospital confinement which shall have commenced, or any operation performed or medical care and treatment rendered during a period of hospital confinement which shall have commenced, prior to the date the dependent shall have become covered under the program.

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- E. Except as set forth in Article XIX of this Plan charges incurred by employees, dependents of employees, retirees, dependents of retirees, and surviving spouses for which benefits are provided under any governmental programs.**

Section 2. Nonduplication of Benefits

- A. This provision shall apply to an employee whose insurance is continued during a period of layoff provided he is entitled to benefits as an insured employee of another employer.**
- B. If any benefit shall be provided under any other group insurance policy, or any other group plan by whatever name called, on account of hospital, surgical and medical expenses covered under this Plan and in connection with any injury, sickness or pregnancy an amount equal to the sum of (1) the total benefits provided through such policy or plan and (2) the total cash value computed on an equitable basis of all services and supplies furnished through such policy or plan under provisions thereof which provide for the furnishing of services and supplies rather than payment in cash shall be deducted from the amount which otherwise would be payable under this Plan on account of such injury, sickness or pregnancy.**
- C. If any benefit shall be provided under any other group insurance policy or any other group plan by whatever name called to which the employee is required as a condition of employment to make premium contributions, such benefits that are attributable to the employee's contribution shall not be deducted under Paragraph B above.**

Section 3. Coordination of Benefits

A. Coordination

- (1) Notwithstanding any provision of this Plan to the contrary, benefits for covered expenses shall be coordinated as set out below with "other group plans" as defined.**

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- (2) When benefits payable under any other group plans are also payable under this Plan, the benefits otherwise payable during any "claims determination period," as defined, under this Plan in the absence of this Coordination provision are subject to reduction to the extent necessary to make such benefits, together with the benefits payable or the value of the services available under all such other group plans, equal to the total amount of "allowable expenses" as defined.
- (3) Upon receipt of satisfactory evidence that an individual covered under this Plan contributed, with respect to the month in which expense for covered services was incurred, fifty percent (50%) or more of the monthly premium or subscription charge for coverage under another group plan, the benefits of such other group plans will not be considered for the purposes of determining the benefits under this Plan.
- (4) When the total amount of benefits provided by this Plan and other group plans exceeds one hundred percent (100%) of the allowable expenses incurred during a claim determination period and, as a result of this provision, a portion of benefits otherwise payable under this Plan is not paid, a benefit credit in the amount of such portion will be established. The benefit credit may be used to pay up to one hundred percent (100%) of allowable expenses when another claim (or claims) for a service which is covered under this Plan is incurred in the same claim determination period during which the benefit credit was established. Any benefit credit established during a claim determination period will be canceled at the end of that calendar year.
- (5) Any benefit limits set forth in this Plan will be applicable only to the benefits actually paid under this Plan, exclusive of any amount paid out of an established benefit credit.

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B. Effect on Benefits

- (1) The benefits of another group plan will be ignored for the purposes of determining the benefits under this Plan if the Coordination provision of the other group plan requires such other group plan to determine its benefits after the benefits of this Plan, and the rules set forth in Paragraph C below would require this Plan to determine its benefits before such other group plan.
- (2) The benefits of another group plan will be considered for the purposes of determining the benefits under this Plan for dependent spouses even though such spouse has not enrolled in such group plan and such group plan is available at no cost. Group plans available at no cost shall include group plans available as an option without contribution under another employer's flexible benefit program or similar program. If more than one group plan is available as an option, the option providing the highest level of benefits without contribution will be considered. Such dependent spouses will be given the opportunity to enroll for the benefits of another group plan before this provision is applied.
- (3) The benefits of another group plan will be considered for the purposes of determining the benefits under this Plan for dependent children age nineteen (19) through twenty-four (24) working full time even though such child has not enrolled in such group plan and such group plan is available at no cost. Such dependent child will be given the opportunity to enroll for the benefits of another group plan before this provision is applied.

C. Order of Priority of Payments

- (1) If the other group plan does not contain a Coordination of Benefits provision, such plan shall be considered primary.

APPENDIX "B" – ARTICLE XXIV

- (2) If the other group plan contains a Coordination of Benefits provision:
- a. The plan of the employer of the covered person on whose behalf the expenses were incurred shall be primary.
 - b. In the case of a covered dependent, if "a" above does not establish which plan is primary, the plan under which he or she is a dependent of a male employee shall be primary; except that in the case of a person for whom claim is made as a dependent child:
 - i. If the parents are separated or divorced, the employer plan of the unremarried parent having custody of the child will be primary; and the employer plan of the parent not having custody of the child will be secondary; or
 - ii. If the parents are divorced and the parent having custody of the child has remarried, the employer plan of the parent having custody of the child shall be primary; the employer plan of the step-parent of the child will be secondary; and the employer plan of the parent not having custody of the child will be tertiary.
 - iii. For claims incurred on or after 2 February 1987 or as soon thereafter as is administratively feasible, and in cases where (i.), (ii.) and a court decree as described below do not apply, the benefits of the plan which covers the child as a dependent of the parent whose birthday in any year occurs before the birthday in such year of the other parent will be determined before the benefits of the plan which covers the child as a dependent of such other parent.

APPENDIX "B" – ARTICLE XXIV

Notwithstanding (i.) and (ii.) above, if there is a court decree which would otherwise establish financial responsibility for the health care expenses with respect to the child, the benefits of a plan which covers the child as a dependent of the parent with such financial responsibility shall be determined before the benefits of any other plan which covers the child as a dependent child.

- c. When "a" and "b" above do not establish which plan is primary, the plan which has covered the person on whose behalf the expenses were incurred for the longer period of time shall be primary.

D. Right of Recovery

Whenever benefit payments have been made under this Plan and by the other group plan which are in excess of the amount of allowable expenses, the Company shall have the right to recover such overpayments. Recovery of overpayment, if any, may be made at a later date from any person to, for or with respect to whom such payments were made, any insurance companies and any other organizations.

E. Release of Information

Any person claiming benefits under this Plan must authorize the release of such information as may be necessary to implement this Section 3.

Section 4. Utilization Review

As always, the attending physician or other health care practitioner is responsible for determining the necessity of hospital preadmission/admission and for determining necessary service, duration of hospital stay, and other procedures.

APPENDIX "B" - ARTICLE XXIV

Such service, duration of hospital stay, and other procedures shall be subject to review for medical/dental appropriateness and for level of care setting in which provided. Such review will be accomplished by provider utilization review committees, Foundations for Medical Care, and/or Professional Standards Review Organizations. Such review may include preadmission/admission certification and concurrent stay review consistent with utilization review medical/dental guidelines for patient review.

It is the intention of the Company to support the employee on any claim by a provider for charges incurred after a notice of determination by a utilization review body that preadmission/admission, service, duration of hospital stay, or other procedures are not appropriate. The Company's support shall include any costs connected with the claim. If it is determined that such charges must be paid, the employee will be held harmless and the charges will be paid by the Company.

Section 5. Subrogation

In the event of any payment of benefits under this Plan for which an insured employee or an insured employee's dependent may have a claim or cause of action against any person or organization (except a claim or cause of action against an Employer and except against insurers of policies of insurance issued to, and in the name of, an insured employee or an insured employee's dependent) the Company shall be subrogated to all right of recovery of the insured employee or the insured employee's dependent with respect to any expenses included in any judgment or settlement. If an insured employee or an insured employee's dependent incurs attorney's fees in connection with the successful prosecution or settlement of any claim or cause of action which includes such benefits, the Company shall reduce its right of subrogation of a pro rata share of such attorney's fees based on the ratio of the amount of any such benefits paid under this Plan to the total amount recovered by settlement or judgment. The insured employee or the insured employee's dependent shall, at the request of the Company, execute and deliver such instruments and papers as may be required and to take such other reasonable steps necessary to secure the subrogation rights.

**PROCEDURES ON MAYO CLINIC AND
UNIVERSITY OF IOWA HOSPITAL CLAIMS
FOR DEERE & COMPANY**

- A. A special exception is made in regard to treatment at Mayo Clinic (Rochester) and University of Iowa hospitals under our insurance plan. In some Mayo cases, the patient is confined to one of the local hospitals which operates in conjunction with but is not a part of Mayo Clinic. When there is hospital confinement, our insurance provisions apply. In many cases, however, patients may not be hospitalized or may receive treatment partly in Clinic and partly in hospital. It is these cases where the exceptions to our limitations are made.
- B. All Mayo Clinic and University of Iowa Hospital (both herein referred to as "Clinic") claims must have a preauthorized referral from the Plan to be paid at in-network benefits.
- C. Room and board.

For all preauthorized Clinic referrals, room and board will be reimbursable if substantiated by receipts. Room payment will be made for motel, hotel or trailer parking space for the time confined in the Clinic and for the night before. For example; if the Clinic bill shows dates of 10 August to 12 August, payment can be made for 9, 10 and 11 August when receipts are furnished. If the room bill is for more than one person, then the single rate is payable. Board is payable only on the days for which room charges are payable. It is payable for up to four (4) meals a day, considering one (1) a light snack. Grocery receipts are not allowable as food bills. Total board and room charges are limited to the most frequent board and room rates charged by the Rochester or Iowa City area hotels.

APPENDIX "B" – ARTICLE XXIV

D. In-hospital services and in-clinic services.

The following charges are payable:

- X-rays**
- Laboratory**
- Administration of anesthesia**
- Electrocardiogram**
- Electroencephalogram**
- Surgical pathology**
- Physical therapy treatments**
- Electromyogram**
- Renogram**
- Radiation therapy**
- Mammogram**
- Blood bank service**
- Blood tests**
- Blood donor fees (payable only if there is some evidence in the file that the blood was not replaced and employee was not reimbursed for charges)**

The following charges are not payable (unless directly related to the diagnosis for which the employee or dependent is being treated):

- Ear, nose and throat service**
- Dermatologic service**
- Ophthalmoscopy**
- Tuberculin test**
- Dental X-rays**
- Audiogram**
- Hearing tests**
- Refraction**
- Gynecology-Pelvic examination**
- External eye examination**
- Chiropody**
- Perimetry**
- Urology catheterization service**
- Prescriptions purchased by patient**

APPENDIX "B" – ARTICLE XXIV

E. Medical.

The amount payable per day during Clinic confinements shall be the actual expense not to exceed twenty dollars (\$20).

The following are examples of charges to which this medical reimbursement can be applied:

- Pulmonary clinic consultations
- Medical history and examination by physician in internal medicine
- Plastic and laryngology examination and consultation
- General medical examination and consultation
- Neurology
- Physical therapy consultation
- Orthopedic examination and consultation
- Consultation by surgeon
- Speech therapy
- Diet instruction
- Psychiatric examination

F. Surgical.

Under surgery, the following are payable:

- Proctoscopic and sigmoidoscopic examination
- Administration of transfusion
- Spinal tap
- Cystoscopic examination
- All scheduled surgical procedures

APPENDIX "C"
THE DISABILITY BENEFIT PLAN
FOR WAGE EMPLOYEES

ARTICLE I
ESTABLISHMENT OF PLAN

Section 1. Preamble

Deere & Company and its various U.S. subsidiaries and affiliates hereinafter designated the Company, will provide the Disability Benefit Plan for Wage Employees (hereinafter referred to as the Plan). This Plan shall make available "Weekly Indemnity for Total Disability Insurance - Nonoccupational (hereinafter referred to as Weekly Indemnity), Layoff Disability Benefits Insurance, Long-Term Disability Benefits Insurance - Occupational and Nonoccupational, and Supplemental Weekly Indemnity Benefits - Occupational" as hereinafter set forth.

Section 2. Claims Covered Under New Plan

The benefits provided in this Plan shall be payable with respect to any claims initially incurred on or after 1 October 2003. With respect to claims initially incurred prior to 1 October 2003, benefits will be payable as provided in the prior Agreement.

Section 3. Effective Date of Coverage

- A. Employees shall have coverage effective the first day of the month following the date of the employee's establishment of seniority.
- B. Part-time or temporary employees are not eligible for the coverage referred to in this Plan until they become full-time employees. (This does not apply to factory bargaining units.)

APPENDIX "C" – ARTICLE I

Section 4. Physical Examinations

The Company, at its own expense, shall have the right to require an employee to submit to an examination by an independent physician designated by it for the purpose of determining continuing disability. The Company shall have the right to examine the employee as often as it may reasonably require during an extended disability.

Section 5. Termination

Employee insurance referred to in Section 1 will terminate when the employee's employment terminates subject to the provisions of this Plan.

Section 6. Cost of Benefits

Except as otherwise specifically provided, the cost of providing benefits under this Plan will be borne by the Company and no contribution to the Plan shall be made by any employee, or retired employee.

Section 7. Named Fiduciary and Plan Administrator

Deere & Company is the named Fiduciary and the Plan Administrator and shall administer this Plan, except as otherwise specifically provided.

Section 8. Amendment, Modification, and Termination

- A. Except as otherwise specifically provided, the Board of Directors of Deere & Company, or, to the extent so authorized by resolution of the Board of Directors, the Deere & Company Compensation Committee, may at any time amend, or modify the Plan. The procedure for amendment or modification of the plan by either the Board of Directors or the Deere & Company Compensation Committee, as the case may be, shall consist of: the lawful adoption of a written amendment or modification to the Plan by majority vote at a validly held

APPENDIX "C" – ARTICLE I

meeting or by unanimous written consent, followed by the filing of such duly adopted amendment or modification by the Secretary with the official records of the Company. However, no change shall reduce the amount of any benefit to which an employee, retired employee, or beneficiary shall be entitled in respect to claims incurred prior to the effective date of such change.

- B. Except as otherwise specifically provided, Deere & Company may at any time amend, modify, or terminate this Plan, provided however, that no change shall reduce the amount of any benefit to which an employee or retired employee shall be entitled on account of disability incurred prior to the effective date of such change.

Section 9. Funding

Except as otherwise specifically provided, benefits shall be provided through an insurance company selected by Deere & Company, a fund established by Deere & Company, or from the general assets of Deere & Company.

Section 10. Application for Benefits

In order for any employee to receive benefits pursuant to the provisions of this Plan, such employee must file a written application. The necessary form(s) for such purpose will be supplied by the Company.

Section 11. Denial of Benefits

- A. When application for benefits provided by this Plan is denied in whole or in part, the employee will receive a written notice of the reason or reasons for such denial, as described in the Summary Plan Description.
- B. The Plan provides an appeal process for claims that have been denied in whole or in part. The claims appeal process is described in the Summary Plan Description.

ARTICLE II CONTINUATION OF INSURANCE

Section 1. Leave of Absence

- A. Weekly Indemnity Insurance may be continued by the Company for thirty-one (31) days in the event of a leave of absence.
- B. An employee not actively at work due to leave of absence for full-time Local Union business may continue Weekly Indemnity Insurance during the duration of the leave by payment of \$1.58 per month per \$10.00 of weekly benefit.
- C. *If an employee is granted a leave of absence due to a clinically anticipated disability based on the natural course of the employee's diagnosed condition and if such employee continues life insurance during such approved leave of absence as provided in Article II, Section 7-B of Appendix "I," the John Deere Group Life and Disability Insurance Plan, upon medical certification satisfactory to the Company from the employee's attending physician that the employee is totally disabled, insurance under this Plan will be reinstated.*

Section 2. Layoff

- A. Weekly Indemnity insurance will be continued for thirty-one (31) days in the event of a layoff.
- B. If an employee becomes disabled while on layoff, after thirty-one (31) days, the employee may be eligible for a Layoff Disability Benefit as set forth in Article IV, Section 3. An employee with seniority who is otherwise eligible to receive Supplemental Unemployment Benefits (SUB) under the Supplemental Unemployment Benefit Plan will have Layoff Disability benefits continued subject to the Nonduplication of Benefits provision in Section 2 of Article V for a period of time which he/she would have been eligible to receive SUB benefits, but not to exceed twelve (12) months from the date of layoff.

APPENDIX "C" – ARTICLE II

Section 3. Work Stoppages

Weekly Indemnity Benefits will not be payable during a period of work stoppage to an employee involved in such work stoppage for any disability commencing during the work stoppage. An employee, whose disability commences during and who is involved in a work stoppage, will be eligible for Weekly Indemnity Benefits at the cessation of the work stoppage.

ARTICLE III AMOUNT OF BENEFIT

Section 1. Determination of Earnings Bracket

- A. The Earnings Bracket in which each employee falls and upon which his Weekly Indemnity for Total Disability Insurance and Long-Term Disability Insurance is based shall be determined as follows:

The individual employee's hourly earnings rate shall be his average straight-time hourly earnings as of the first day of each January, April, July and October which shall determine the benefit for each three (3) months' period beginning the following February, May, August and November. The method of computing the employee's average straight-time hourly earnings as of the 1st day of each January, April, July and October shall be as follows:

Divide the sum of all money paid during the three (3) calendar months preceding such date for hours worked, excluding overtime penalty pay, by the total of such hours worked. Newly hired employees or employees transferred from salary payroll to the wage payroll shall have their benefit based upon the rate of the classification to which they are first assigned until the next regular period for benefit determination as outlined above.

Your Average Earnings In These Months	Jan Feb Mar	Apr May Jun	Jul Aug Sep	Oct Nov Dec
As Determined On These Dates	1 Apr	1 Jul	1 Oct	1 Jan
Determines Weekly Indemnity Benefits For Claims Commencing In These Months	May Jun Jul	Aug Sep Oct	Nov Dec Jan	Feb Mar Apr

APPENDIX "C" – ARTICLE III

- B. In determining the Earnings Bracket on and after 1 October 2003 the cost-of-living allowance provided through September 2003 shall be included for employees at work on or after 1 November 2003.

Section 2. Benefit Amount

- A. Weekly Indemnity and Long-Term Disability Benefits for claims commencing on and after 1 October 2003 will be as follows:

Earnings Bracket	Employee Weekly Indemnity Benefit	Monthly Long-Term Disability Benefit
Less than \$9.50	\$221.00	\$800.00
9.50 but less than 9.80	227.00	825.00
9.80 but less than 10.10	233.00	850.00
10.10 but less than 10.40	239.00	875.00
10.40 but less than 10.70	245.00	900.00
10.70 but less than 11.00	251.00	925.00
11.00 but less than 11.30	257.00	950.00
11.30 but less than 11.60	263.00	975.00
11.60 but less than 11.90	269.00	1,000.00
11.90 but less than 12.20	275.00	1,025.00
12.20 but less than 12.50	281.00	1,050.00
12.50 but less than 12.80	287.00	1,075.00
12.80 but less than 13.10	293.00	1,100.00
13.10 but less than 13.40	299.00	1,125.00
13.40 but less than 13.70	305.00	1,150.00
13.70 but less than 14.00	311.00	1,175.00
14.00 but less than 14.30	317.00	1,200.00
14.30 but less than 14.60	323.00	1,225.00
14.60 but less than 14.90	329.00	1,250.00
14.90 but less than 15.20	335.00	1,275.00
15.20 but less than 15.50	341.00	1,300.00
15.50 but less than 15.80	347.00	1,325.00
15.80 but less than 16.10	353.00	1,350.00
16.10 but less than 16.40	359.00	1,375.00

APPENDIX "C" – ARTICLE III

(continued)

Earnings Bracket	Employee Weekly Indemnity Benefit	Monthly Long-Term Disability Benefit
16.40 but less than 16.70	\$365.00	\$1,400.00
16.70 but less than 17.00	371.00	1,425.00
17.00 but less than 17.30	377.00	1,450.00
17.30 but less than 17.60	383.00	1,475.00
17.60 but less than 17.90	389.00	1,500.00
17.90 but less than 18.20	395.00	1,525.00
18.20 but less than 18.50	401.00	1,550.00
18.50 but less than 18.80	407.00	1,575.00
18.80 but less than 19.10	413.00	1,600.00
19.10 but less than 19.40	419.00	1,625.00
19.40 but less than 19.70	425.00	1,650.00
19.70 but less than 20.00	431.00	1,675.00
20.00 but less than 20.30	437.00	1,700.00
20.30 but less than 20.60	443.00	1,725.00
20.60 but less than 20.90	449.00	1,750.00
20.90 but less than 21.20	455.00	1,775.00
21.20 but less than 21.50	461.00	1,800.00
21.50 but less than 21.80	467.00	1,825.00
21.80 but less than 22.10	473.00	1,850.00
22.10 but less than 22.40	479.00	1,875.00
22.40 but less than 22.70	485.00	1,900.00
22.70 but less than 23.00	491.00	1,925.00
23.00 but less than 23.30	497.00	1,950.00
23.30 but less than 23.60	503.00	1,975.00
23.60 but less than 23.90	509.00	2,000.00
23.90 but less than 24.20	515.00	2,025.00
24.20 but less than 24.50	521.00	2,050.00
24.50 but less than 24.80	527.00	2,075.00
24.80 but less than 25.10	533.00	2,100.00
25.10 but less than 25.40	539.00	2,125.00
25.40 but less than 25.70	545.00	2,150.00
25.70 but less than 26.00	551.00	2,175.00
26.00 and over	557.00	2,200.00

APPENDIX "C" – ARTICLE III

- B. Any Weekly Indemnity Benefits due for periods less than a full week shall be paid on the basis of one-fifth ($1/5$) of the weekly benefit for each day of an employee's regular five (5) day workweek.
- C. Weekly Indemnity Benefits otherwise payable for any period of disability shall be reduced by the weekly equivalent of any disability insurance benefits or old age insurance benefits (primary insurance amount only) to which the employee is entitled for the same period under the Federal Social Security Act or any future legislation providing similar benefits, except old age benefits reduced because of the age at which received. For purposes of such reduction, the weekly equivalent of benefits paid on a monthly basis is computed by dividing the monthly benefit rate by 4.33.

**ARTICLE IV
COMMENCEMENT AND
DURATION OF BENEFITS**

Section 1. Weekly Indemnity - Nonoccupational

- A. If an insured employee shall be totally disabled as a result of accidental bodily injury or sickness not hereinafter excepted, and provided such disability shall commence while the employee is insured under this Section, benefits will be paid to the employee for the period of such disability, subject to the indemnity limits hereinafter set forth, in an amount determined as herein outlined.
- B. Employees will be eligible for Weekly Indemnity Benefits for a period of time equal to their continuous employment at the time the disability commences but in any case for not more than fifty-two (52) weeks. If such employee is confined in a hospital at the date of expiration of his Weekly Indemnity Benefits and such benefits were payable for less than fifty-two (52) weeks, benefits shall continue to be paid while he continues to be confined but in no case beyond fifty-two (52) weeks.
- C. Weekly Indemnity Benefits will be paid for not more than fifty-two (52) weeks during any one period of disability, commencing with (1) the eighth day of disability caused by accident except that if during the first seven days of disability the employee, because of such accident, becomes confined to a hospital or is treated by a duly qualified physician, there shall be no waiting period; or (2) the first day the employee is confined in a hospital or admitted to a covered observation room; or (3) the eighth day of disability caused by sickness; or (4) the day on which the employee undergoes a surgical procedure, including an oral surgical procedure, for which the employee was not hospitalized and for which a benefit of twenty-five (25) dollars or more is payable under the Health Benefit Plan, whichever first occurs.

APPENDIX "C" – ARTICLE IV

- D. For the purposes of the insurance under this Section, successive periods of disability separated by less than two (2) weeks of active work on full time shall be considered one period of disability unless the subsequent disability is due to an injury or sickness entirely unrelated to the cause of the previous disability and commences after return to work.
- E. No change in class which will provide an increase or decrease in amount of insurance shall become effective during any one period of disability.
- F. The amount of Weekly Indemnity Benefits for the first and last day of disability will be determined on the following basis:
 - (1) If the employee has worked or has been paid for less than three (3) hours, the full Weekly Indemnity Benefit amount will be paid for that day.
 - (2) If the employee has worked or has been paid for three (3) or more, but less than six (6) hours, one-half the Weekly Indemnity Benefit amount will be paid for that day.
 - (3) If the employee has worked or has been paid for six (6) or more hours, no Weekly Indemnity Benefit will be paid for that day.
- G. Benefits under this Section will not be payable if an employee has a concurrent occupational disability for which he is eligible to receive Workers' Compensation Weekly Disability Benefits.
- H. Benefit payments for disability caused by sickness will not commence prior to the date the employee is treated by a duly qualified physician.

APPENDIX "C" – ARTICLE IV

- I. A disabled employee who is released to return to work by the attending physician, but is temporarily prevented from returning to his/her regular job because of medical restrictions and there are no vacant jobs the employee is capable of performing, will be continued, if eligible, on Weekly Indemnity status.
- J. When an employee has been totally disabled as the result of accidental bodily injury, returns to work and subsequently experiences any recurrence of total disability within 180 calendar days of that return, there shall be no waiting period for Weekly Indemnity Benefits, provided medical evidence indicates the total disability is due to the same injury.

When such total disability commences after 180 calendar days following the first day of return to work subsequent to the initial period of disability

- (1) Such subsequent periods shall be considered a disability due to sickness, and
 - (2) The waiting period shall be applied to such period or periods of disability as provided under this Section.
- K. An employee may waive irrevocably any right he may have to receive Weekly Indemnity Benefits with respect to any period of disability by completing a waiver form furnished by the Company for that purpose. No Weekly Indemnity Benefits shall be payable for any period of disability covered by such waiver.
- L. Exclusions and Limitations

The insurance under this Section shall not cover disability resulting from:

- (1) Sickness for which the employee is not treated by a duly qualified physician.

APPENDIX "C" – ARTICLE IV

- (2) An injury or sickness due to war or any act of war, whether war is declared or not, or due to any act of international armed conflict, or conflict involving the armed forces of any international authority.

Section 2. Supplemental Weekly Indemnity - Occupational

- A. Except as provided in B of this Section, if an employee shall be entitled to any Workers' Compensation for temporary total, partial permanent or total permanent disability from the Company, the Company will supplement such compensation to equal the amount and with the time limits to which the employee would have been entitled as a Weekly Indemnity benefit for nonoccupational accident or sickness as provided in Section 1 of this Article and Article III.
- B. If an employee would have been entitled to less than fifty-two (52) weeks of Weekly Indemnity by reason of his continuous employment, such employee shall be entitled to Supplemental Weekly Indemnity - Occupational for up to fifty-two (52) weeks.
- C. Where there is a dispute as to whether or not an injury suffered by an employee grew out of his employment with the Company, the following procedure will be followed:
 - (1) The employee shall receive an amount of money equal to his current Weekly Indemnity rate, but this benefit will not be considered either Weekly Indemnity or Workers' Compensation until such time as the dispute is finally resolved.
 - (2) The employee will be required to sign a reimbursement form which will provide that any Workers' Compensation judgment in favor of the employee which duplicates a payment previously made by the Company will be returned to the Company by the employee, or deducted from any final settlement the Company may be required to make.

APPENDIX "C" – ARTICLE IV

It is understood that any of the above actions taken while the dispute is pending will in no way impair the rights of the employee or the Company nor be used to prejudice the position of either.

Section 3. Layoff Disability Benefits

- A. The benefits provided in this Section shall be payable with respect to weeks of disability to any employee who is entitled to continue the coverage provided in Section 1 of this Article subject to Article II, Section 2.**
- B. The Layoff Disability Benefit shall be equal in amount to the Weekly Indemnity Benefit under Sections 1 and 2 of Article III, subject to the provisions of Paragraph C below.**
- C. Qualifications for benefits:**

If, as a result of disease or accidental bodily injury for which the employee is not entitled to benefits under any Workers' Compensation Law, an employee becomes totally disabled while on a qualifying layoff as defined in Appendix "D," "Supplemental Unemployment Benefit Plan," a Layoff Disability Benefit shall be paid for each such week of disability while on layoff provided, however, that:

- (1) The employee must have been eligible for a benefit under the Supplemental Unemployment Benefit (SUB) Plan.**
- (2) No Layoff Disability Benefit shall be payable for any week during which the employee is not under the care of a physician;**
- (3) No Layoff Disability Benefit shall be payable for any week during which the employee receives Weekly Indemnity Benefits or Long-Term Disability Benefits under this Article;**
- (4) The Layoff Disability Benefit for any week shall be reduced by the amount of any Disability Benefit he receives for the same week under any plan financed in whole or in part by another employer;**

APPENDIX "C" – ARTICLE IV

- (5) Layoff Disability Benefits start on the first day following the last day for which an SUB Plan Benefit was payable to the employee if he was receiving such Benefits immediately prior to his becoming disabled, otherwise on the first day of the qualifying disability;
- (6) No Layoff Disability Benefit shall be payable beyond the time the employee no longer satisfied the disability requirement except that if he remains on a qualifying layoff under the SUB Plan benefits shall be payable for the remaining days in the same week as defined in the SUB Plan for which he does not receive a benefit;
- (7) In no event will there be any duplication of Layoff Disability Benefits and SUB Benefits.

D. An employee may waive irrevocably any right he may have to receive Layoff Disability Benefits with respect to any period of disability by completing a waiver form furnished by the Company for that purpose. No Layoff Disability Benefits shall be payable for any period of disability covered by such waiver.

Section 4. Long-Term Disability Benefits - Occupational and Nonoccupational

A. Eligibility

If an employee at work shall become totally disabled as a result of bodily injury or sickness not hereinafter excepted and such disability continues beyond the period for which he is entitled to Weekly Indemnity under Section 1 of this Article, Supplemental Weekly Indemnity – Occupational under Section 2 of this Article, or Layoff Disability under Section 3 of this Article, will be entitled during the continuation of such disability, subject to the provisions hereinafter set forth, to a monthly Long-Term Disability Benefit for the period set out below.

APPENDIX "C" – ARTICLE IV

B. Commencement and Duration of Benefits

(1) Benefits will commence the day following the last day of disability included in the maximum number of Weekly Indemnity Benefits, Layoff Disability Benefits, or Supplemental Weekly Indemnity - Occupational and will be paid for not longer than the time specified below:

- a. If the employee has less than two (2) years of continuous employment at the commencement of the disability - one (1) year.
- b. If the employee had two (2) or more years of continuous employment at the commencement of disability - one (1) year plus the number of full months by which the employee's continuous employment at the commencement of the disability exceeded twenty-four (24) months.
- c. The date of death.
- d. If disability commences prior to attainment of age 63, until attainment of age 65.
- e. If disability commences on or after attainment of age 63,

Age at Commencement of Disability		Maximum Duration of Benefits
Employee Is	But Less Than	
63 and 0 months	68 and 1 month	12 months
68 and 1 month	68 and 2 months	11 months
68 and 2 months	68 and 3 months	10 months
68 and 3 months	68 and 4 months	9 months
68 and 4 months	68 and 5 months	8 months
68 and 5 months	68 and 6 months	7 months
68 and 6 months and older		6 months

- f. The date the employee no longer satisfies the disability requirement.

APPENDIX "C" - ARTICLE IV

- (2) If an employee's return to work with the Company is not of sufficient duration to qualify him for a new period of Weekly Indemnity Benefits or Supplemental Weekly Indemnity - Occupational, his period of disability shall not be deemed interrupted by such return but his Long-Term Disability Benefit for the month shall be reduced proportionately for the period of return to work.
- (3) If an employee while receiving Long-Term Disability Benefits engages in any substantial gainful activity, his Long-Term Disability Benefits will be suspended for the period of such employment. After termination of such employment, Long-Term Disability Benefits will again be paid if the employee is then qualified as totally disabled.
- (4) Benefits accrued under this Plan during any calendar month will be payable as of the first day of the next succeeding month. Benefits payable for a period of less than a full month shall be prorated on the basis of the ratio of calendar days of eligibility to total calendar days in the month.
- (5) For the purpose of determining the maximum period for monthly Long-Term Disability Benefits any month in which such benefits are partially or wholly offset by benefit payments from sources listed below or because of return to work, i.e., not of sufficient duration to qualify him for a new period of Weekly Indemnity Benefit or Supplemental Weekly Indemnity - Occupational, such month shall be counted as a full month. Fractions of the first month and the last month shall be counted as fractions of a month.
- (6) The cumulative total number of months during any previous periods of eligibility for Long-Term Disability Benefits will reduce the maximum number of monthly benefit payments for which the employee is otherwise eligible when Long-Term Disability Benefits again commence.

APPENDIX "C" - ARTICLE IV

C. Amount of Benefit

- (1) The monthly Long-Term Disability Benefit will be the applicable amount based upon the employee's hourly earnings bracket which established the amount of his Weekly Indemnity or Layoff Disability Benefit. The monthly Long-Term Disability Benefit shall be reduced by an amount equal to the monthly equivalent of the total of the following benefits:
 - a. All disability retirement benefits for which the employee is eligible under any Company Pension Plan.
 - b. Early or normal retirement benefits the employee is receiving under any Company Pension Plan.
 - c. Lost-time benefits for which the employee is eligible under Workers' Compensation laws or other laws providing benefits for occupational injury or disease including lump sum settlements but excluding specific allowances for loss, or one hundred percent (100%) loss of use, of a bodily member.
 - d. Disability or old age insurance benefits to which the person is entitled (primary insurance amount) under the Federal Social Security Act or any future legislation providing similar benefits except old age benefits reduced because of the age at which received.
 - e. If the employee is not entitled to disability benefits described in (1)-d above, the amount of any temporary benefit which was payable under any Company pension plan prior to the employee's eligibility for an 80% Social Security benefit commencing when the employee reaches age 65.
 - f. Benefits for which the employee is eligible under any state or federal law providing benefits for working time lost because of disability.

APPENDIX "C" - ARTICLE IV

- (2) For employees at work on or after 1 April 1971 the amount of any increase in Paragraphs 1-c, d, or f above subsequent to the first day for which Long-Term Disability Benefits are payable (or, if later, the first day on which the amount of such governmental benefits for which reduction is made is initially determined) shall be disregarded for purposes of determining the amount of Long-Term Disability Benefit. Such increase shall not be disregarded if it represents an adjustment in the original determination.
- (3) The Company may require each employee eligible for Long-Term Disability Benefits to certify or furnish verification of the amounts of his deductible benefits from the sources listed above. The amount of any Long-Term Disability Benefit payments in excess of the amount that should have been paid after reduction for such benefits will be deducted from future Long-Term Disability Benefits.
- (4) In determining the amount by which Long-Term Disability Benefits shall be reduced, the monthly equivalent of benefits paid on a weekly basis shall be computed by multiplying the weekly benefit rate by 4.33. In the case of lump sum settlements under Workers' Compensation laws the deduction shall be the monthly equivalent of the amount of Workers' Compensation Benefit to which the employee would have been entitled under applicable law had there been no lump sum payment, but not to exceed in total the amount of the settlement.
- (5) Long-Term Disability Benefit computations shall presume eligibility for Social Security disability insurance benefits and if the employee has ten (10) years of service, total and permanent disability pension benefits. Deductions from Long-Term Disability Benefits will be made on this basis unless the person receiving benefits presents satisfactory evidence that these benefits were applied for and

APPENDIX "C" – ARTICLE IV

denied; provided, however, that a reduction shall be made in the amount equal to Social Security disability insurance benefits that would have been payable except for refusal to accept vocational rehabilitation services.

- (6) Increases in the Total and Permanent Disability pension benefits provided under Article VI of the John Deere Pension Plan for Wage Employees, which become effective for such benefits payable on or after 1 October 1979 shall be disregarded for purposes of determining the amount of Long-Term Disability Benefit. Such increase shall not be disregarded if it represents an adjustment in the original determination.

D. Rehabilitation

An employee will not be ineligible for Long-Term Disability Benefits because of work which is determined to be primarily for training under a recognized program of vocational rehabilitation.

E. Proof of Disability

The Company may require an applicant as a condition of eligibility to submit to examination by a physician designated by it for the purpose of determining his initial or continuing disability. Mental or non-organic disease as a cause for total disability must have a psychiatrist's certification that the employee's infirmity is of major and psychotic degree.

F. Temporary Disability

A disabled employee who is released to return to work by the attending physician, but is temporarily prevented from returning to his/her regular job because of medical restrictions and there are no vacant jobs the employee is capable of performing, will be continued, if eligible, on Long-Term Disability status.

APPENDIX "C" – ARTICLE IV

G. Exclusions and Limitations

The insurance under this Section shall not cover disability

- (1) resulting from an injury or sickness due to war or any act of war, whether war is declared or not, or due to any act of international armed conflict, or conflict involving the armed forces of any international authority;
- (2) resulting from services in the Armed Forces (unless he has been in employment with the employer at least ten (10) years after separation from such service).

ARTICLE V EXCLUSIONS AND LIMITATIONS

Section 1. Exclusions

No payment shall be made under this Plan in any event with respect to benefits which are payable by any employer in connection with injury or sickness and in accordance with the provisions of any Workers' Compensation or similar law except as provided in Article IV, Section 2 and Section 4 of this Plan.

This exclusion will not apply when the other employer is not required under applicable state laws to be a covered employer under the Workers' Compensation laws.

Section 2. Nonduplication of Benefits

- A. This provision shall apply to an employee whose insurance is continued during a period of layoff provided he is entitled to benefits as an insured employee of another employer.
- B. If any weekly disability benefits shall be provided under any other group insurance policy, or any other group plan by whatever name called, in connection with any injury, sickness or pregnancy an amount equal to the total benefits provided through such policy or plan; shall be deducted from the amount which otherwise would be payable under this Plan on account of such injury, sickness or pregnancy.
- C. If any benefit shall be provided under any other group insurance policy or any other group plan by whatever name called to which the employee is required as a condition of employment to make premium contributions, such benefits that are attributable to the employee's contribution shall not be deducted under Paragraph B above.
- D. The term "Other Group Plan" means any plan of another employer providing benefits or services for or by reason of medical care or treatment which benefits or services are provided on an insured or uninsured basis in connection with an employee's or an employee's dependent's employment, occupation or profession.

APPENDIX "D"
SUPPLEMENTAL UNEMPLOYMENT BENEFIT
PLAN

ARTICLE I
GENERAL PROVISIONS AND
ELIGIBILITY FOR BENEFITS

Section 1. Purpose of Plan

It is the purpose of this Supplemental Unemployment Benefit Plan ("Plan") to supplement State System Benefits and not to replace or duplicate them.

Section 2. Eligibility for Benefits

Employees with one or more years of seniority at the time of a layoff will be eligible for Supplemental Unemployment Benefits ("SUB").

Section 3. Amount and Duration of Benefits

A. Benefit Computation

During any period of layoff, the benefit payable to an eligible employee on and after the effective date shall be an amount which when added to his State Benefit and other compensation will equal ninety-five percent (95%) of his weekly after tax pay, minus twelve dollars and fifty cents (\$12.50) to take into account work-related expenses not incurred, up to the maximum benefit in Section 3-C and 3-D below.

B. Benefits Relating to Temporary Inventory Adjustment Shutdown/Layoff Periods of Less than One Week

Benefits relating to Temporary Inventory Adjustment Shutdown/Layoff periods of less than one week will be paid at a daily rate of one-fifth (1/5) of the combined benefits the employee would have received had he been eligible for a

APPENDIX "D" - ARTICLE I

State System Benefit. The daily rate will be equal to one-fifth (1/5) of the benefit computed under Paragraph A of this Section, including the weekly State System Benefit the employee would have otherwise been eligible to receive.

C. Maximum Benefits for Employees Hired Prior to 1 October 1997

- (1) An employee with less than ten (10) years of seniority at the time of layoff will be guaranteed a maximum benefit of up to \$200/\$250 depending upon the employee's eligibility for Unemployment Compensation. The benefit will be paid for up to a maximum of 26 weeks.
- (2) An employee with ten (10) or more years of seniority at the time of layoff will be guaranteed a maximum benefit of up to \$200/\$250 depending upon the employee's eligibility for Unemployment Compensation. The benefit will be paid for up to a maximum of 52 weeks.
- (3) Employees who are laid off for more than six weeks in an Employment Security Program year because of a scheduled Temporary Inventory Adjustment Shutdown/Layoff will have their benefits computed as provided in the Supplemental Unemployment Benefit Plan, except that the maximum benefit amount that any eligible laid-off employee may receive will be \$300.00 per week for the scheduled weeks in excess of six.

D. Maximum Benefits for Employees Hired On or After 1 October 1997

- (1) Employees with one year but less than five (5) years of seniority at the time of lay off will be paid a maximum of 26 weekly benefits at \$125 per week.
- (2) Employees with five or more years of seniority at the time of lay off will be paid a maximum of 39 weekly benefits at \$150 per week.

APPENDIX "D" – ARTICLE I

E. Benefits in the Event of a Factory Closing

(1) Eligibility

Employees who are in active employment and who are permanently laid off as a result of a factory closing will be guaranteed a maximum of seventy-eight (78) weeks of SUB.

(2) Amount and Payment of Benefit

The amount of an employee's SUB will be calculated in accordance with Section 3-A.

(3) Duration of Benefit

No SUB will be payable for any weeks which commence more than thirty-six (36) months after the last day the employee worked at the closed factory.

- (4) An employee is in active employment in any pay period for which he draws pay except that an employee on disciplinary layoff, vacation, personal leave of absence, or sick leave will, for the purposes of this Appendix "D," be considered as in active employment; and, if subject to layoff during such period, his layoff will be considered as becoming effective at the end of such period.

ARTICLE II ADMINISTRATION OF THE PLAN

Section 1. General

An employee will be eligible for SUB, provided that:

A. Payment of benefits will be contingent upon the employee applying for and receiving state unemployment benefits not currently under protest by the Company. However, an employee may still receive SUB if he is ineligible for a State System Benefit only for one or more of the following reasons:

- (1) He did not have prior to layoff a sufficient period of employment or earnings covered by the State System;
- (2) exhaustion of his State System Benefit rights;
- (3) the period he worked or because his pay (from the Company or any other employers) for the week equaled or exceeded the amount which disqualifies him for a State System Benefit or "waiting week" credit, or because he was employed full time by an employer other than the Company;
- (4) he was serving a "waiting week" or a partial waiting week of layoff under the applicable State System;
- (5) he failed to claim a State System Benefit and his pay received or receivable from the Company for the week would have caused such State System Benefit to be less than two dollars (\$2.00);
- (6) *he was receiving pay for military service with respect to a period following his release from active duty therein; or was on short-term active duty of thirty (30) days or less for required military training in a National Guard, Reserve or similar unit or was on short-term active duty of thirty (30) days or less because he was*

APPENDIX "D" – ARTICLE II

called to active service in the National Guard, Reserve or similar unit by State or Federal authorities in case of public emergency;

- (7) he was on layoff because he was unable to do work offered by the Company while able to do other work in the plant to which he would have been entitled if he had had sufficient seniority;
- (8) he was entitled to statutory retirement or disability benefits which he received or could have received while working full time;
- (9) he was denied a State System Benefit and it is determined that, under the circumstances, it would be contrary to the intent of the Plan to deny him a benefit.

B. The employee has met any registration and reporting requirements of an employment office of the applicable State System, except that this subsection does not apply to an employee:

- (1) who was ineligible for a State System Benefit or "waiting week" credit for the week only because of his period of work or amount of pay;
- (2) who failed to claim a State System Benefit and his pay received or receivable from the Company for the week would have caused such State System Benefit to be less than two dollars (\$2.00);
- (3) who was ineligible for a State System Benefit because he was on short-term active duty, of thirty (30) days or less, for required military training, in a National Guard, Reserve or similar unit, or was on short-term active duty of thirty (30) days or less because he was called to active service in the National Guard, Reserve or similar unit by State or Federal authorities in case of public emergency.

APPENDIX "D" – ARTICLE II

- C. The employee did not receive an unemployment benefit under any contract or program of another employer or under any other SUB Plan of the Company (and was not eligible for such a benefit under a contract or program of another employer with whom he has greater seniority than with the Company).
- D. The employee qualifies for SUB of at least two dollars (\$2.00).
- E. An employee's layoff for all or part of any week will be deemed qualifying for Plan purposes only if:
 - (1) Such layoff was from the bargaining unit;
 - (2) such layoff was not for disciplinary reasons, and was not a consequence of:
 - a. Any strike, slowdown, work stoppage, picketing (whether or not by employees), or concerted action, at a Company plant or plants, or any dispute of any kind involving employees or other persons employed by the Company and represented by the Union whether at a Company plant or plants or elsewhere;
 - b. any fault attributable to the employee;
 - c. any war or hostile act of a foreign power (but not government regulation or controls connected therewith);
 - d. sabotage or insurrection; or
 - e. any act of God; provided, however, that this subparagraph "e" shall not apply to the first two (2) weeks of layoff resulting from such cause;
 - (3) the employee has not refused to accept work when recalled pursuant to the Collective Bargaining Agreement and has not refused an offer by the Company of other available work at the plant or at

APPENDIX "D" - ARTICLE II

another plant of Deere & Company or subsidiaries of Deere & Company in the same labor market area. For the purpose of this Paragraph (3) the same labor market area shall be confined to a fifty-mile radius from the plant location.

(4) with respect to such week the employee was not eligible for and was not claiming:

a. Any statutory or Company accident or sickness or any other disability benefit (except a benefit which he received or could have received while working full time); or

b. any Company pension or retirement benefit; and

(5) with respect to such week the employee was not in military service (other than short-term active duty of thirty (30) days or less, including required military training in a National Guard, Reserve or similar unit).

F. If an employee is on short-term active duty of thirty (30) days or less for required military training in a National Guard, Reserve or similar unit and is ineligible under the Collective Bargaining Agreement for pay from the Company for all or part of such period solely because he would be on a qualifying layoff but for such active duty, he will be deemed to be on a qualifying layoff for the determination of eligibility for not more than two (2) benefits in a calendar year, provided, however, that this two (2) benefits limitation shall not apply to short-term active duty of thirty (30) days or less because he was called to active service in the National Guard, Reserve or similar unit by state or federal authorities in case of public emergency.

G. If an employee is ineligible for a benefit by reason of subparagraph E-(2) or E-(4) above, with respect to some but not all of his regular workdays in a week, and is otherwise eligible for a benefit, he will be entitled to a reduced benefit of one-fifth of the SUB for each workday of the week for which he is otherwise eligible, as computed under Article I, Section 3-A.

APPENDIX "D" – ARTICLE II

- H. No benefit will be payable to an employee who has been on layoff for a continuous period of twenty-four (24) months, except that if at the expiration of such twenty-four (24) month period the employee is receiving benefits, their weekly benefit shall continue up to the allotted maximum.

Section 2. To Whom Benefits are Payable in Certain Conditions

Benefits shall be payable only to the eligible employee, except that if the Company shall find that the employee is deceased or is unable to manage his affairs for any reason, any benefit payable to him shall be paid to his duly appointed legal representative, if there be one, and, if not, to the spouse, parents, children, or other relatives or dependents of the employee as the Company in its discretion may determine. Any benefit so paid shall be a complete discharge of any liability with respect to such benefit. In the case of death, no benefit shall be payable with respect to any period following the last day of layoff immediately preceding the employee's death.

Section 3. Benefit Overpayments

- A. If the Company determines that any benefit(s) paid under the Plan should not have been paid or should have been paid in a lesser amount, written notice thereof shall be mailed to the employee receiving the benefit(s), and he shall return the amount of overpayment to the Company; provided, however, that no repayment shall be required if the cumulative overpayment is three dollars (\$3.00) or less, or if notice has not been given within one hundred twenty (120) days from the date the overpayment was established or created, except that no such time limitation shall be applicable in cases of fraud or willful misrepresentation.
- B. If the employee shall fail to return such amount promptly, the Company may deduct such overpayment from any future benefits. The Company is also authorized to make such deduction from the employee's compensation.

ARTICLE III MISCELLANEOUS

Section 1. Filing of Application

- A. An application for a benefit may be filed in accordance with procedures established by the Company.
- B. No application for a benefit shall be accepted unless it is submitted to the Company within sixty (60) calendar days after the end of the week with respect to which it is made; provided, however, that if the amount of the employee's State System Benefit is adjusted retroactively with the effect of establishing a basis for eligibility for a benefit or for a benefit in a greater amount than that previously paid, he may apply within sixty (60) calendar days after the date on which such basis for eligibility is established.

Section 2. Receipt of Benefits

No benefit paid under the Plan shall be considered a part of any employee's wages for any purpose (except as benefits are treated as if they were "wages" solely for purposes of Federal Income Tax withholding as provided in the 1969 Tax Reform Act). No person who receives any benefit shall for that reason be deemed an employee of the Company during such period, and he shall not thereby accrue any greater right to participate in or receive benefits under any other employee benefit plan to which the Company contributes than he would if he were not receiving such benefit.

Section 3. No Vested Interest

No employee has any right, title or interest in these Plan benefits until the employee is qualified and eligible to receive benefits.

Section 4. Powers and Authority of the Company

- A. The Company shall have such powers and authority as are necessary and appropriate in order to carry out its duties under this Appendix "D".

APPENDIX "D" – ARTICLE III

- B. Deere & Company is the named Fiduciary and the Plan Administrator and shall administer this Plan.

Section 5. Non-alienation of Benefits

No benefit shall be subject in any way to alienation, sale, transfer, assignment, pledge, attachment, garnishment, execution or encumbrance of any kind and any attempt to accomplish the same shall be void. In the event that the Company shall find that such an attempt has been made with respect to any benefit due or to become due to any employee, the Company in its sole discretion may terminate the interest of the employee in such benefit and apply the amount of the benefit to or for the benefit of the employee, his spouse, parents, children, or other relatives or dependents as the Company may determine and any such application shall be a complete discharge of all liability with respect to the benefit.

Section 6. Amendment and Termination of the Plan

- A. So long as the Collective Bargaining Agreement of which this Supplemental Unemployment Benefit Plan as amended is a part shall remain in effect, the Plan shall not be amended, modified, suspended or terminated, except as may be proper or permissible under the terms of the Plan or the Collective Agreement. However, the Company, may, during the term of this Agreement, make revisions in the Plan not inconsistent with the purposes, structure, and basic provisions thereof which are necessary to obtain or maintain the tax qualified status of the benefits paid under this Plan. Such revisions may include, but are not limited to:

- (1) benefits paid are not treated as "wages" for purposes of the Federal Unemployment Tax, the Federal Insurance Contributions Act Tax, or Collection of Income Tax at Source on Wages, under Subtitle C of the Internal Revenue Code, (except as benefits are treated as if they were "wages" solely for purposes of Federal Income Tax withholding as provided in the 1969 Tax Reform Act); or

APPENDIX "D" – ARTICLE III

- (2) no part of any such payments are included for purposes of the Fair Labor Standards Act in the regular rate of any employee.**
- B. Any notice under this Article by either party shall be in writing. If the notice is from the International Union it shall be sent to the Industrial Relations Department of Deere & Company and if notice is from the Company, it shall be sent to the International Union.**
- C. Upon the termination of the Collective Bargaining Agreement, the Company shall have the right to continue the Plan in effect and to modify, amend, suspend or terminate the Plan, except as may be otherwise provided in any subsequent Collective Bargaining Agreement between the Company and the Union.**

AGREEMENT

ARTICLE IV DEFINITIONS

As used herein:

A. "State Benefit and Other Compensation for a week" means:

- (1) The amount of State System Benefit received or receivable by the employee for the week; plus
- (2) all pay received or receivable by the employee from the Company (including holiday payments, payments for scheduled vacations), and the amount of any pay which could have been earned, computed as if payable for hours made available by the Company but not worked, after reasonable notice has been given to the employee for such week; provided that if wages or remuneration from employers other than the Company or any military pay are received or receivable by the employee and are applicable to the same period as hours made available by the Company but not worked, only the greater of (a) such wages or remuneration from other employers in excess of the greater of ten dollars (\$10.00) or twenty percent (20%) of such wages or remuneration or military pay in excess of ten dollars (\$10.00); or (b) any amount of pay which could have been earned, computed, as if payable, for hours made available by the Company but not worked, shall be included;
- (3) all wages or remuneration, as defined under the law of the applicable State System in excess of the greater of ten dollars (\$10.00) or twenty percent (20%) of such wages or remuneration received or receivable from other employers for such week (excluding such wages or remuneration which were considered in the calculation under (2) above); plus
- (4) the amount of all military pay in excess of ten dollars (\$10.00) received or receivable for such week excluding such military pay which was considered in the calculation under (2) above.

AGREEMENT

- B. "State System" means any system or program established pursuant to any state or federal law for paying benefits to persons on account of their unemployment under which a person's eligibility for benefit payments is not determined by application of a "means" or "disability" test; excluding, however, any such system or program established for the primary purpose of education or vocational training even though such program may provide for subsistence allowances or benefits to individuals not employed while undergoing such training. "State System Benefit" means an unemployment benefit payable under a State System, except that it does not include benefits in excess of the normal period under the State System which are payable only because the recipient is undergoing approved training.
- C. "Week" when used in connection with eligibility for and computation of benefits with respect to an employee means a period of layoff equivalent to a workweek or a workweek during which an employee is on layoff part of the week.
- D. "Weekly After-Tax Pay" means the expected amount of an employee's average straight-time hourly earnings (as determined in Article XVIII WAGES, Section 11 Computation of Average Straight-time Hourly Earnings) multiplied by forty (40) and reduced by the sum of all federal and state taxes and contributions which would be required to be collected, deducted, or withheld by the Company from a regular weekly wage of such amount if paid to him for the last pay period he worked in the Bargaining Unit.
- E. "Workweek" means seven (7) consecutive days beginning on Monday at the regular starting time of the shift to which the employee is assigned immediately prior to being laid off.

APPENDIX "E"
THE LEGAL SERVICES PLAN
FOR WAGE EMPLOYEES

ARTICLE I
ADMINISTRATION

Section 1. Establishment of Plan

The Legal Services Plan ("Plan") is established, as set forth herein, for the purpose of providing certain specified, personal legal service benefits to eligible persons. The Plan covers only legal services in matters arising under the laws of the United States, any state, commonwealth, district, territory or any political subdivision thereof.

Section 2. Effective Date(s)

The effective date of the Plan is 1 August 1989. Following that date, the Plan shall continue in full force and effect during the term of the current Deere & Company-UAW Collective Bargaining Agreement. At the expiration of the Collective Bargaining Agreement, benefits will not be provided to any eligible participant for any matter except to complete providing covered services for all cases which have been opened and were pending prior to the Agreement's Termination.

Section 3. Cost of Benefits

The cost of providing benefits under the Plan will be borne by the Trust Fund established in Section 5 below or paid by the Company. The Trust will be funded by a Company contribution of 9.5¢ per hour worked between 1 October 2003 and 30 September 2009 by employees hired prior to 1 October 1997 covered by the Collective Bargaining Agreements which have incorporated the Plan.

Section 4. Governmental Rulings

The Company's obligations to fund the Plan is contingent upon the following:

APPENDIX "E" - ARTICLE I

- A. Contributions to the Trust established pursuant to the Plan constitute a currently deductible expense under the Internal Revenue Code, as now in effect, or under any other applicable Federal tax law;**
- B. The Trust qualifies for exemption from Federal income tax under Section 501(c) of the Internal Revenue Code;**
- C. Contributions by the Company to, and benefits paid out of, the Trust are not treated as "wages" for purposes of the Federal Unemployment Tax, the Federal Insurance Contributions Act Tax, or Collection of Income Tax at Source on Wages, under Subtitle C of the Internal Revenue Code;**
- D. No part of any such contributions are included for purposes of the Fair Labor Standards Act in the regular rate of any employee;**
- E. The Company shall apply promptly to the appropriate agencies for the rulings described in Section 4;**
- F. Notwithstanding any other provision of the Plan, the Company, with the consent of the UAW, may, during the term of the Plan, make revisions in the Plan not inconsistent with the purposes, structure, and basic provisions thereof which shall be necessary to obtain or maintain any of the rulings referred to in Section 4. Any such revisions shall adhere as closely as possible to the language and intent of the provisions outlined in the Plan.**

Section 5. The Trust Fund and the Trustee

- A. A Trustee shall be designated by the Company and a trust agreement executed between the Company and such Trustee, under the terms of which a Trust Fund will be established to receive, hold, invest, and reinvest contributions made by the Company, interest and other income, and to pay for benefits provided under the Plan. The Company shall provide in the trust agreement that the assets of the Plan shall be held in cash or invested only in**

APPENDIX "E" - ARTICLE I

obligations issued or guaranteed by the United States Government, irrespective of the rate of return thereon and without any absolute or relative limit upon the amount that may be invested.

- B. The Company will determine the form and terms of any such trust agreement, may remove any Trustee or select any successor Trustee and may modify, amend or alter any such trust agreement at any time. No part of the corpus or income of the Trust shall ever revert to the Company or be used for or diverted to purposes other than for the exclusive benefit of those eligible for benefits under the Plan and payment of reasonable expenses of administering the Plan, except as specifically provided in any trust agreement.
- C. The costs and expenses incurred by the Trustee under the Plan and the fees charged by the Trustee shall be charged to the Fund.
- D. The Company shall be reimbursed each year from the Fund for the cost to the Company of bank fees and auditing fees.

Section 6. No Vested Interest

No person eligible for benefits under the Plan shall have any right, title, or interest in or to any of the assets of the Trust, or in or to any Company contribution thereto.

Section 7. Nonencumbrance of Benefits

No person eligible for benefits under the Plan shall have any right to assign, alienate, pledge, hypothecate, anticipate, or in any way create a lien upon any part of the Trust, nor shall the interest of any person or any distributions due or accruing to such person be liable in any way for the debts, defaults or obligations of such person *whether such obligations arise out of contract or tort.*

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Section 8. Named Fiduciary and Plan Administrator

Deere & Company is the Named Fiduciary and the Plan Administrator and shall administer this Plan, except as otherwise specifically provided.

Section 9. Complaint Procedure

The Collective Bargaining Agreement's Appendix "1" Benefit Plans of Deere & Company, Article VII, APPEAL BOARD PROCEDURE, or any successor language agreed to between the UAW and Deere & Company shall apply to the Plan.

ARTICLE II ELIGIBILITY AND BENEFITS

Section 1. Eligibility for Benefits

Those eligible for benefits under the Plan are as follows:

- A. Employees hired prior to 1 October 1997 who have at least one (1) year of continuous employment and are:
 - (1) Actively employed (i.e., employees actively at work and those employees not at work due to time off for vacation, excused personal absence, bereavement, paid leave, jury service paid leave, unexcused temporary absence, short-term illness, and excluding employees in any other status;) or
 - (2) On weekly indemnity or long-term disability; or
 - (3) On layoff (provided, however, that eligibility ceases 18 months after the month in which the layoff began); or
 - (4) On leave of absence up to the first 30 days; or
 - (5) On workers' compensation; or
 - (6) On leave of absence for Union business.
- B. Current retired employees and employees who are eligible for Legal Services at the time of retirement will continue to receive these benefits.
- C. Spouses of eligible retirees and employees.
- D. Surviving spouses of eligible retirees and employees provided the surviving spouse has not remarried and either:
 - (1) The employee had been credited with at least five years of service credit prior to the time of death; or
 - (2) The surviving spouse is eligible for transition benefits.

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E. Unmarried children of eligible retirees and employees

- (1) Who are under 19 years of age; or**
- (2) Who are legally residing with and dependent upon the employee for more than on-half of their support as defined by the Internal Revenue Code of the United States of America, who qualify in the current year for dependency tax status or have been reported as a dependent on the employee's most recent Income Tax Return; and**
 - a. Who are nineteen (19) years of age or over but under twenty-five (25) years of age; or**
 - b. Who are permanently and totally disabled regardless of age.**

F. The term "unmarried children" shall include natural born, legally adopted, those for whom legal adoption proceedings have been initiated, and stepchildren. Unmarried children shall also include children under nineteen (19) years of age, dependent on the employee for more than one-half of their support as defined by the Internal Revenue Code of the United States of America, who either qualify in the current year for dependency tax status or who have been reported as such by the employee on his most recent Federal Income Tax Return, who reside in the household of which the employee is the head, and who are related by blood or marriage to the employee, or are under such employee's legal guardianship.

Section 2. Covered Benefits

The following benefits and no other benefits will be provided by the Plan to all participants:

- A. Office Consultations. This benefit is unlimited and may be used as often as necessary to discuss any personal legal problems, including non-covered matters but not excluded matters.**

APPENDIX "E" - ARTICLE II

- B. **Document Preparation.** This benefit includes the preparation of deeds, notes, mortgages, powers of attorney and trusts. It does not include any document not listed herein.
- C. **Tenant Negotiations.** This benefit includes assisting the eligible person as a tenant with matters involving leases, security deposits or other disputes with a landlord. It does not include representation in a lawsuit.
- D. **Eviction Defense.** This benefit provides representation for the eligible person as a tenant, in case of eviction, up to and including a trial defense, if necessary.
- E. **Debt Collection Defense.** This benefit includes negotiation with creditors for a repayment schedule, limiting creditor harassment, and representation in defense of any action for debt collection, foreclosure, repossession, replevin or garnishment, up to and including trial if necessary. It does not include defense against a judgment.
- F. **Insurance Claims.** This benefit provides assistance making insurance claims with the eligible person's own carrier, provided that carrier is not affiliated with the UAW or the Company.
- G. **Name Change.** This benefit covers all necessary pleadings and court hearings for a legal name change.
- H. **Demand Letters.** This benefit covers the preparation of a letter which states a demand for money, property, or any other interest of the eligible person, except an interest which is an Excluded Benefit. This benefit does not include subsequent negotiations with third parties.
- I. **Plaintiff Consumer Matters.** This benefit includes representation of the eligible person as a plaintiff, up to and including trial where necessary, in matters involving warranties and other disputes over contracts for consumer goods and services where the amount of controversy exceeds \$300. This benefit does not include disputes over land or construction.

APPENDIX "E" - ARTICLE II

- J. **Civil Litigation Defense.** This benefit covers defense of civil proceedings in a trial court of general jurisdiction or before an administrative agency or a local, state, or federal agency. It does not apply where services are available or are being provided by virtue of a homeowner or vehicle insurance policy. It does not include divorce defense.
- K. **Traffic Matters and Drunk Driving.** This benefit covers representation in defense of any traffic ticket or drunk driving charge including court hearings, negotiation with the prosecutor and trial, if necessary. It also covers representation in proceedings to restore a driving license and defense of felony charges related to traffic matters and drunk driving.
- L. **Misdemeanor Defense.** This benefit covers representation in defense of any misdemeanor charge including court hearings, negotiation with the prosecutor and trial, if necessary. It does not include defense of any felony charge, even if it is subsequently reduced to a misdemeanor.

Benefits only for the eligible employee and spouse:

- M. **Wills and Codicils.** This benefit covers the preparation of a will for the employee and spouse. The creation of any testamentary trust, other than a simple support trust for minor children, is not covered. The benefit includes the preparation of codicils, or will amendments. It does not include tax planning for large estates.
- N. **Living Wills.** This benefit covers the preparation of a living will for the employee and/or spouse.
- O. **Personal Bankruptcy.** This benefit covers the employee and spouse in pre-bankruptcy planning, the preparation and filing of a personal bankruptcy petition and all necessary court hearings. This benefit does not include bankruptcy petitions for any corporation or partnership in which the employee or spouse may have an interest.

APPENDIX "E" - ARTICLE II

- P. **Wage Earner Plan.** This benefit covers the employee and spouse in the planning, preparation and filing of a Chapter 13 wage earner plan. It also includes all necessary court hearings.
- Q. **Enforcement or Modification of Support Order.** This benefit covers the employee and spouse in representation in enforcing or modifying a court's award of support or alimony, regardless whether the employee or spouse is a plaintiff or a defendant.
- R. **Uncontested Custody Order.** This benefit covers the employee and spouse, in the preparation of petitions, consent forms and waivers, as well as representation at any court hearing provided all parties are in agreement.
- S. **Uncontested Adoption.** This benefit covers uncontested agency and step-parent adoptions for the employee and spouse. If an adoption becomes contested, the employee or spouse must pay all additional legal fees.
- T. **Uncontested Guardianship.** This benefit covers establishing a guardianship over a person and his or her estate by the employee and spouse. It includes obtaining a temporary guardianship if necessary, gathering any necessary medical evidence, preparing the paperwork and attending the hearing. If the proceeding becomes contested, the employee or spouse must pay all additional legal fees.

Benefits only for the eligible employee:

- U. **Sale or Purchase of Home.** This benefit includes the review or preparation of all relevant documents (including the purchase agreement, mortgage, deed and documents pertaining to title, insurance, recordation and taxation), which are involved in the purchase or sale of an employee's primary residence. The benefit also includes attendance of an attorney at closing, in cities where it is the custom to do so. The benefit does not include second home or vacation property, or the sale or purchase of

APPENDIX "E" - ARTICLE II

unimproved land, rental property or property held for business or investment. Refinancings or home equity loans are not included.

- V. **Boundary or Title Disputes.** This benefit covers litigation arising in connection with boundary or title disputes involving an employee's primary residence.
- W. **Separation or Divorce.** This benefit covers the employee in the preparation and filing all necessary pleadings, motions and affidavits, and drafting settlement agreements as well as representation at the hearing or trial, regardless whether the employee is a plaintiff or a defendant. This benefit does not include disputes which arise in connection with custody or support matters after the issuance of a decree of divorce.

Benefits only for the eligible employee's unmarried children and spouse:

- X. **Juvenile Court Matters.** This benefit covers representation of an employee's unmarried children or spouse in any juvenile court matter provided there is no conflict of interest with the employee.

Reduced fee benefits:

- Y. **Plan attorneys will handle the following cases for a reduced fee, which is not covered under the Plan and must be paid by the eligible person, subject to state law and court rules:**
 - a) social security suspensions or terminations, at a fee 10% less than the prevailing fees;
 - b) probate matters, at a fee 10% less than the prevailing fees;
 - and c) personal injury or property damages at a fee of 25% of the award.

Section 3. Excluded Benefits

The following benefits will not be provided by the Plan:

- A. Any claim, proceeding or action against the Company, its subsidiaries an/or affiliates, their dealers, or their respective officers, directors, and/or agents.

APPENDIX "E" - ARTICLE II

- B. Any claim, proceeding or action against the UAW, or any of its local affiliated bodies or its officers or agents, or against any labor organization representing Company employees, retirees or employees on layoff.**
- C. Any claim, proceeding or action against any benefit plan established or maintained by the Company, its subsidiaries and/or affiliates, including any trust, administrator, insurer, person, organization, or Plan Attorney by or through which benefits are provided or administered. (Plan attorney is a person employed by the Plan Provider or who has an agreement with the Plan Provider to provide Plan benefits.)**
- D. Costs, filing fees or fines. "Costs" includes expenses such as court costs, witness fees, transcripts, recording or filing fees. The Plan will not pay any fines, penalties, judgments or other money awards of any nature that are imposed by operation of any legal process, whether civil or criminal.**
- E. Appellate proceedings, class actions, derivative actions, interventions or amicus curiae filings.**
- F. Commercial, farm or business transactions including, but not limited to, any legal services which would ordinarily be deductible under the Internal Revenue Code as a necessary expense of doing business. Matters related to admiralty, patents, trademarks and copyrights are also excluded.**
- G. Any matter where the eligible person is represented by an attorney other than a Plan Attorney. The Plan and the Plan Provider are not responsible for legal fees incurred for benefits provided by other than a Plan Attorney. Also, any matter where an eligible person has retained an attorney prior to becoming eligible for Plan benefits.**
- H. Any disputes or proceedings involving the Plan, the Plan Provider or any Plan Attorney. (Plan Provider is the organization that provides Plan benefits and/or arranges with others to provide Plan benefits.)**

APPENDIX "E" - ARTICLE II

- I. Any bankruptcy or debt proceeding that would result in discharge or collection delay of a debt owed to the Company, the UAW or any benefit plan or trust established, maintained, and/or administered by the Company, its subsidiaries and/or affiliates.
- J. Duplication of services previously claimed in relation to the same matter.
- K. Legal services to a spouse or dependent, who is not an employee, against the interest of a Company employee.
- L. Preparing, completing or filing of a federal, state or local tax return.
- M. Any legal representation or service which the eligible person is or was eligible to receive or obtain by reason of another plan, group arrangement, or insurance policy even though he/she failed to request benefits or file a claim thereunder.
- N. Any disputes or proceedings involving unemployment compensation or workers compensation matters.

APPENDIX "F"
FACTORY CLOSING PLAN

Section 1. Notice

When the Company plans to close a factory or discontinue a major function of a factory and such action results in the permanent layoff of employees in the UAW unit at that factory, then the Company will give reasonable notice of such plan to the Union prior to making its final decision. Such notice shall be no less than one hundred eighty (180) days in the case of a factory closing or sixty (60) days in the case of a discontinuance of a major function. However, in the event such 180 or 60 days' notice would impair the Company's need for speed, flexibility and confidentiality, the Company will give such notice as soon as practicable. Such notice will include the reasons for the closing or the discontinuance of a major function and a tentative date(s).

Section 2. Factory Closing Services

For those employees affected by a factory closing the Company will establish and maintain a "factory closing services" office for a period of time of not less than six (6) months following the date the factory is closed. Such office will provide the following services:

- A. Counseling by the Company about retirement, insurance, and related benefit plan entitlements.
- B. Training and assistance in the preparation of a resume suitable for distribution to prospective employers.
- C. Outplacement assistance, in which the Company will contact the appropriate public employment service, private employment agencies, and area employers in search of employment opportunities for eligible employees.

APPENDIX "F"

Section 3. Implementation of Complete Plant Closing Decisions

- A. Employees covered by this Agreement with seniority in a factory being closed may elect to exercise their seniority as provided for in Exhibit "J" of the Labor Agreement.**
- B. An employee who does not exercise his seniority as provided in Paragraph A above, who is placed on layoff shall be placed by the Company on the Labor Market Area Seniority (LMAS) list in seniority order with other employees on the LMAS list. The Company shall also place the employee on a preferential hiring list in seniority order at all outside LMAS factories.**
- C. If an employee refuses an offer of employment under Paragraph B above, the employee waives all benefits provided by this Appendix "F."**
- D. If an employee as defined in the Seniority Article does not exercise his rights under Paragraph A above and is not offered employment under Paragraph B above within one year from the date the employee was permanently laid off, then such employee will qualify, if eligible, for benefits under Section 6 of this Appendix.**
- E. Employees eligible for benefits under Section 6 of this Appendix who have not applied for such benefits and who have not exercised their seniority under Paragraph A above and who have not been offered employment under Paragraph B above shall be eligible for benefits under Sections 4 and 5 of this Appendix.**
- F. Employees not eligible for benefits under Section 6 of this Appendix and who have not exercised their seniority rights under Paragraph A above and who have not been offered employment under Paragraph B above shall be eligible for benefits under Sections 4 and 5 of this Appendix.**

APPENDIX "F"

Section 4. Supplemental Unemployment Benefits

Supplemental Unemployment Benefits for eligible employees are provided in Appendix "D", Article I, Section 3-E.

Section 5. Additional Health Insurance

An employee with ten (10) or more years of seniority at the time of permanent layoff as a result of a factory closing will be provided an additional twelve (12) months of health benefit coverage excluding dental, vision, and hearing benefits.

Section 6. John Deere Pension Plan for Wage Employees

Employees in a factory being closed who attain at least age fifty (50) and have at least ten (10) years of service credit within two (2) years of either permanent layoff or placement in the unit's resource pool shall upon proper application be eligible for special early retirement not later than 60 months after the date of layoff, under the provision of Appendix "A," Article III, Section 2.1, provided the affected employee has not been placed under the provisions of Section 3 paragraph A and B of this Appendix.

Section 7. Implementation of Discontinuance of a Major Function Decision

In the event that the Company following such notice, meetings, and conferences pursuant to this Article makes such a decision to discontinue a major function, employees to be laid off for indefinite periods as a result thereof shall be granted or denied benefits, if any, in accordance with and subject to the limitations of the Memorandum of Agreement on Employment Security.

Section 8. Chain-Wide Seniority

- A. In the event a unit closing is announced, each Bargaining Unit covered by this Agreement will establish a separate Master Recall List within one month of the announced closing. The list will include the names of employees on

APPENDIX "F"

layoff from that unit as well as all active and laid off employees from that unit as well as all active and laid off employees from the facility being closed, integrated on the basis of seniority.

- B. The Master Recall seniority date of employees from the closed facility will be the seniority date the employee had at the facility which was closed.
- C. Employees from the closed facility may accept or decline an offer of employment from any facility covered by the UAW Master Agreement.
- D. Employees who refuse an offer of employment from any Bargaining Unit covered by this Agreement will be removed from all Master Recall Lists covered by the UAW Master Agreement.
- E. Employees must be qualified to perform the work required.

APPENDIX "G"

RELOCATION ALLOWANCE PLAN

Section 1. Eligibility for Relocation Allowance

An employee at a UAW bargaining unit of a Deere & Company factory being closed, or an employee from a UAW bargaining unit of a Deere & Company factory whose work assignment is discontinued because of the discontinuance of a major function or product, or who had been on layoff for one (1) year or more, or who at the time of being laid off had been notified that in the judgment of the Company the layoff was to be permanent, and who is permanently transferred to, as the result of being employed by a Deere & Company United States factory outside "the same labor market area," will be eligible for a relocation allowance subject to the following:

The employee must:

- A. Change his permanent residence,
- B. make application in accordance with the procedures prescribed by the Company within six (6) months after the completion of Paragraph A of this Section, and
- C. commence initial employment outside "the same labor market area" on or after 1 October 1976.

Section 2. Amount of Relocation Allowance

- A. The amount of relocation allowance will be determined as follows:

Miles Between Factories by Most Direct Route	Relocation Allowance Amount	
	Single Employee	Married Employee
0-49	\$ 0	\$ 0
50-99	954	2,118
100-299	1,062	2,334
300-499	1,152	2,448
500-999	1,396	2,892
1,000 or over	1,614	3,324

APPENDIX "G"

- B. Only one relocation allowance will be paid where more than one member of a family living in the same residence is permanently transferred as set out herein.**
- C. The relocation allowance for married employees shall be applied when single, widowed, divorced or legally separated employees relocate with their children residing and relocating with them.**
- D. No relocation allowance will be paid to an employee who has been paid a relocation allowance under this provision, should the employee respond to a recall to the factory from which he was laid off.**

Section 3. Eligibility for Supplemental Income Allowance

- A. An employee who is initially employed at a Deere & Company U.S. factory outside "the same labor market area" on or after 1 October 1976 in accordance with the provisions of Sections 1 and 2 of this Appendix will be eligible for a supplemental income allowance of \$5.00 per day (subject to a maximum of \$25.00 per week) while in such employment provided:**
 - (1) The employee works at least four (4) straight-time hours for each day he receives payment,**
 - (2) the employee had at least one (1) year of seniority at the time of layoff from his bargaining unit, and**
 - (3) the employee makes application for employment outside "the same labor market area" within one (1) month of layoff from his bargaining unit.**
- B. The maximum duration of benefits under this Section will be six (6) calendar months and no benefit will be paid for any day after the day the employee receives notice of recall to his bargaining unit.**
- C. The supplemental income allowance will not be included as earnings for the purpose of computing any other benefits.**

APPENDIX "G"

Section 4. Federal or State Legislation

The amount of an employee's relocation allowance and supplemental income allowance shall be reduced by the amount of any relocation, moving or living expense benefits that the employee receives or is eligible to receive with respect to such relocation under any present or future federal or state legislation. For purposes of this paragraph, the employee shall be deemed eligible to receive benefits under federal or state legislation even though he does not qualify for, or loses such benefits through failure to make proper application therefor.

APPENDIX "H"

TUITION REFUND PLAN

Section 1. Purpose

The purpose of this Plan is to provide financial assistance to employees who take educational courses outside regular working hours on a voluntary basis for self-improvement.

Section 2. Eligibility

- A. Tuition aid will be granted to employees who have completed one (1) or more years of continuous employment. Employees who are laid off will also be considered eligible for tuition aid unless eligible for tuition aid elsewhere. An employee who is otherwise eligible but who does not have one (1) year of continuous employment will be permitted to participate in the Plan, but tuition aid will be withheld until one (1) year of continuous employment has been completed. If an employee's employment is terminated prior to completion of a course, he will not be eligible for tuition aid.
- B. To be eligible, the employee may enroll only in such courses which meet the following requirements:
 - (1) They are job related; that is, they will tend to improve the employee's performance on work covered by his seniority classification, or
 - (2) They will help to prepare him for future assignments with the Company for which he might reasonably be expected to qualify, or
 - (3) They are part of a curriculum leading to a degree in a field which is job related.

APPENDIX "H"

Section 3. Approved Schools and Courses

- A. Employees will be permitted to enroll in either credit or non-credit regular, extension, or correspondence courses offered by accredited and approved colleges and universities. Enrollment in high schools, technical schools accredited by the office of the State Superintendent of Public Instruction, and area community colleges will also be accepted.
- B. Since only off-work-hour courses are eligible for approval under the Plan, a schedule will be approved only when it is reasonably certain that the course work will not affect the employee's health or job performance, and not to exceed nine (9) credit hours per semester.

Section 4. Application for Approval

- A. An application form may be obtained from the Human Resources Department or the employee's supervisor. The form must be completed and submitted to the employee's supervisor at least one (1) month prior to the first meeting of the class.
- B. To be approved, the course must be recommended by the employee's supervisor, department head, and local administrator of the Plan.

Section 5. Amount of Tuition Aid

- A. The Company will provide tuition aid in an amount equal to sixty-six and two thirds percent (66-2/3%) of the total tuition and laboratory, registration, and activity fees expense, if any, normally required for an approved course in accordance with the following procedure:
 - (1) The Company will advance one-third (1/3) of the total tuition and laboratory, registration and activity fees to the employee upon approval of the course; and

APPENDIX "H"

- (2) Upon satisfactorily completing the course, the Company will reimburse the employee for the second one-third (1/3) of the total tuition, laboratory, registration and activity fees.
- B. Under no circumstances will tuition aid be granted for covering the costs of textbooks, materials, examination fees, or transportation.
- C. No tuition aid will be granted for courses for which any part of the expenses are met by eligibility for G.I. Educational Benefits, unless evidence is presented in the form of a study plan developed with the cooperation of a college or university counselor of intent to use G.I. Benefits for full-time study on campus at some later date in connection with an educational leave of absence.
- D. Tuition aid will be granted for courses for which any part of the expenses are met by scholarships or grants. The amount of the scholarship or grant will be subtracted from the actual tuition, then sixty-six and two-thirds percent (66 2/3%) of that amount will be calculated as the reimbursement to the employee as set out in this Section 5 -A.

APPENDIX "I"
JOHN DEERE GROUP LIFE AND
DISABILITY INSURANCE PLAN FOR
WAGE EMPLOYEES

ARTICLE I
ESTABLISHMENT OF PLAN

Section 1. Preamble

Deere & Company and its various U.S. subsidiaries and affiliates hereinafter designated the Company, will provide the John Deere Group Life and Disability Insurance Plan for Wage Employees (hereinafter referred to as the Plan) as hereinafter set forth.

Section 2. Cost of Benefits

Except as otherwise specifically provided, the cost of providing benefits under this Plan will be borne by the Company and no contribution to the Plan shall be made by any employee, or retired employee.

Section 3. Nonencumbrance of Benefits

Assignment, pledge or encumbrance of any benefits under this Plan will not be permitted or recognized. Benefits shall not be subject to attachment, execution, garnishment, or other legal process.

Section 4. Named Fiduciary and Plan Administrator

Deere & Company is the Named Fiduciary and the Plan Administrator and shall administer this Plan, except as otherwise specifically provided.

Section 5. Amendment, Modification, and Termination

- A. Except as otherwise specifically provided, the Board of Directors of Deere & Company, or, to the extent so authorized by resolution of the Board of Directors, the

APPENDIX "I" - ARTICLE I

Deere & Company Compensation Committee, may at any time amend, or modify the Plan. The procedure for amendment or modification of the Plan by either the Board of Directors or the Deere & Company Compensation Committee, as the case may be, shall consist of: the lawful adoption of a written amendment or modification to the Plan by majority vote at a validly held meeting or by unanimous written consent, followed by the filing of such duly adopted amendment or modification by the Secretary with the official records of the Company. However, no change shall reduce the amount of any benefit to which an employee, retired employee, or beneficiary shall be entitled in respect to claims incurred prior to the effective date of such change.

B. Suspension or Termination

Except as otherwise specifically provided, the Board of Directors of Deere & Company may at any time suspend or terminate the Plan. However, no change shall reduce the amount of any benefit to which an employee, retired employee, or beneficiary shall be entitled in respect to claims incurred prior to the effective date of such change.

Section 6. Funding

Except as otherwise specifically provided, benefits shall be provided through an insurance company selected by Deere & Company, a fund established by Deere & Company, or from the general assets of Deere & Company.

Section 7. Application for Benefits

In order for any employee or beneficiary to receive benefits pursuant to any provisions of this Plan, such employee or beneficiary must file written application supplying information required to verify such application. The necessary form(s) for such purpose will be supplied by the Company.

APPENDIX "I " – ARTICLE I

Section 8. Denial of Benefits

- A. When application for benefits provided by this Plan is denied in full or in part, the employee or beneficiary shall receive a written notice of the reason or reasons for such denial.
- B. *Except as otherwise specifically provided*, a request for review of the denial of benefits must be submitted within sixty (60) days of such denial, in writing, to the Plan Administrator. The Plan Administrator will reply to such request within sixty (60) days.

ARTICLE II
ELIGIBILITY AND AMOUNT OF BENEFIT

Section 1. Eligibility of Employees and Commencement of Insurance

Except as hereinafter provided, an employee

- A. hired prior to 1 October 1997 shall be eligible and insurance shall commence on such date, except that if an eligible employee is not actively at work on 1 October 1997 the employee shall not be insured under this Plan until the date he returns to work;
- B. hired prior to 1 October 1997, but not actively at work on 1 October 1997 shall be covered under the terms and conditions of the Group Life and Disability Insurance provided by the 1994 Plan if the employee is otherwise eligible for such insurance.
- C. hired on or after 1 October 1997 shall be eligible and insurance shall commence on the date the employee first reports to work.

Section 2. Amount of Benefit

- A. An eligible employee hired prior to 1 October 1997 as outlined in Section 1-A or B prior to the later of attainment of age 65 or retirement, but in no event later than attainment of age 70, will be covered by the following life insurance:
 - (1) Less than one year of service credit..... \$20,000
 - (2) One year or more of service credit - One year's earnings but with a minimum of..... \$20,000
- B. An eligible employee hired on or after 1 October 1997 as outlined in Section 1-C will be covered by the following life insurance:

APPENDIX "I" – ARTICLE II

- (1) Less than one year of service credit..... \$20,000
- (2) One year or more of service credit - one year's earnings but with a minimum of\$20,000

"One year's earnings" shall be the highest total of all straight-time wage payments plus vacation pay, personal absence pay, shift premium pay, and pay for un-worked holidays, during any one of the three calendar years immediately preceding the death of the employee or the last day worked in case of total and permanent disability.

C. An employee who is insured under this Plan in accordance with Paragraph A above, shall have his or her insurance reduced as follows:

- (1) 2% on the first day of the month following the later of attainment of age 65 or retirement but in no event later than attainment of age 70, and by the same amount on the first day of each succeeding month to a minimum of 1½ percent of the insurance in force at the later of age 65, retirement or age 70 (if earlier) multiplied by the years of service credit at such time but in no case will the amount of insurance be reduced to less than \$7,500; or
- (2) if employment continues beyond age 70 shall have his or her life insurance in force at age 70 reduced according to the table below, to an amount which shall not be less than the greater of \$7,500 or the following percentage:

Age	Percentage of the Amount of Life Insurance at Age 70
70 but less than 75	50%
75 but less than 80	35%
80 but less than 85	25%
85 but less than 90	20%
90 or older	15%

APPENDIX "I" – ARTICLE II

Upon retirement after age 70 under the provisions of the John Deere Pension Plan for Wage Employees, the life insurance shall continue to be reduced as provided in Paragraph C but to not less than \$7,500.

- D. An employee who is insured under this Plan in accordance with Paragraph B above shall have life insurance coverage in retirement of \$7,500.

Section 3. Accidental Death and Dismemberment Insurance for Employees Hired Prior to 1 October 1997

- A. If death results within one year from a nonoccupational injury, there will be paid to the beneficiary of the insured employee an additional amount equal to the life insurance as set forth in Section 2 of this Article, but in any event not more than \$50,000.
- B. If death results within one year from an occupational injury, there will be paid to the beneficiary of the insured employee an additional amount equal to one-half of the life insurance as set forth in Section 2 of this Article, but in any event not more than \$25,000.
- C. Accidental dismemberment benefits will be paid for dismemberments occurring within one year of the date of the accident as follows:
- (1) The life insurance as set forth in Section 2 of this Article is payable for the loss of both hands, both feet, one hand and one foot, sight of both eyes, either hand or foot and the sight of one eye.
 - (2) One-half the life insurance as set forth in Section 2 of this Article is payable for the loss of one hand, one foot, or the sight of one eye.
- D. Loss shall mean, with regard to hands and feet, dismemberment by severance through or above wrist or ankle joints; with regard to eyes, entire and irrecoverable loss of sight.

APPENDIX "I " – ARTICLE II

- E. Only one of the amounts so specified above (A, B, C-(1) or C-(2)) the largest, will be paid for all injuries resulting from any one accident.**
- F. On the first day of the month following the month in which an employee reaches age 65 or retires, whichever is later, but in no event later than age 70, Accidental Death and Dismemberment coverage shall terminate.**
- G. Exclusions**

The insurance under this Section shall not cover any loss

- (1) caused or contributed to by bodily or mental infirmity, disease or medical or surgical treatment therefor, or infection (except pus-forming infections which shall occur through an accidental cut or wound), even though the proximate and precipitating cause of the loss is accidental bodily injury;**
- (2) caused or contributed to by war or any act of war, whether war is declared or not, or by any act of international armed conflict, or conflict involving armed forces of any international authority;**
- (3) resulting from suicide or any attempt thereat (sane or insane).**

Section 4. Total and Permanent Disability

- A. An employee who becomes totally and permanently disabled prior to attainment of age 70 (an employee shall be deemed to be permanently and totally disabled when, on the basis of medical evidence satisfactory to the Company, he or she is found to be totally and permanently prevented from performing any and all work for the Company as a result of any medically demonstrable and determinable physical or mental condition resulting from bodily injury or mental or physical disease, either occupational or nonoccupational in cause) and who does**

APPENDIX "I" – ARTICLE II

not qualify for normal, early or disability retirement benefits under the John Deere Pension Plan for Wage Employees will receive the life insurance in 50 monthly installments at the rate of \$20 per each \$1,000 of life insurance in lieu of the death benefit, but in any event not more than \$50,000 for eligible employees under Article II, Section 2-A and \$25,000 for eligible employees under Article II, Section 2-B. The first of such installments shall be payable as of (1) the first day of the month after the submission of the required proof of such disability and monthly thereafter, or (2) the first of the month coinciding with or immediately following the date the employee has ceased to be eligible to receive weekly disability benefits and monthly long-term disability benefits, if any, as the case may be, whichever is later.

- B.** If an employee should die while the monthly installments are being paid, the remaining installments will be paid to the beneficiary in a lump sum. The lump sum shall not be less than \$1,500. If an employee should die after all the installments have been paid, the beneficiary will receive \$1,500.
- C.** If after payment of installments to which an employee is entitled under A above, such employee shall return to active work with the Company, the amount of insurance shall be the amount to which the employee is entitled under the provisions of the Plan then in effect.

Section 5. Transition Survivor Income Benefit and Bridge Survivor Income Benefit for Employees Hired Prior to 1 October 1997

- A.** Upon the death of an active employee who had at least one month of continuous employment and who was covered for life insurance, or upon the death prior to age 55 of an employee who was retired under the provisions of Article III, Section 2, of the John Deere Pension Plan for Wage Employees a Transition Survivor Income Benefit is payable to the survivor or survivors as defined herein provided there are such survivors living to receive it,

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commencing on the first day of the month following the death of the employee and continuing for not more than 24 months. The Transition Survivor Income Benefit is also payable to the survivor or survivors of an employee retired on total and permanent disability pension under Section 3 of Article III, whose disability pension has not been redetermined in accordance with Section 3-D of Article III of the John Deere Pension Plan for Wage Employees and who dies while insured by Group Life Insurance under this program. The Transition Survivor Income Benefit shall be \$600 for any month the eligible survivor or survivors are not eligible to receive an unreduced Old-Age, Survivors, or Disability Insurance Benefit under the Federal Social Security Act, as now in effect or as hereafter amended and otherwise \$325. For months in which two or more survivors share a benefit, each survivor's share is computed as a fraction of the benefit that would be paid to a sole survivor according to such survivor's own eligibility for Social Security Benefits.

(1) For purposes of this paragraph

- a. A "Class A Survivor" means the surviving spouse of a deceased employee, but only if the surviving spouse was legally married to the deceased employee for at least one year immediately prior to the employee's death.**
- b. A "Class B Survivor" means the employee's child who at the employee's death and at the time a survivor income benefit first becomes payable to such child is both unmarried and either (1) under 21 years of age or (2) at least age 21 but under age 25 or (3) totally and permanently disabled at any age over 21; provided, however, that a child under clause (2) or (3) must have been legally residing with and dependent upon the employee at the time of his death. A child ceases to be a Class B Survivor upon marrying or if not totally and permanently disabled, upon reaching his or her 25th birthday. To qualify as the employee's child the child must be one of the following:**

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- i. The employee's own child born prior to the first of the month following the employee's death.
 - ii. The employee's legally adopted child or a child with respect to whom the employee had initiated legal adoption proceedings, which were terminated by death.
 - iii. The employee's stepchild who resided with the employee at the time of death.
- c. A "Class C Survivor" means a parent of the deceased employee for whom the employee had, during the calendar year preceding the employee's death, provided at least 50 percent of the parent's support.

(2) This Transition Survivor Income Benefit shall be paid as follows:

- a. If the employee is survived by a Class A Survivor, the monthly income shall be payable to such survivor. If the employee is not survived by a Class A Survivor, the monthly income shall be payable in equal shares to the employee's Class B Survivors, but if the employee is not survived by a Class B Survivor, in equal shares to the employee's Class C Survivors;
- b. If a Class A Survivor dies while monthly income payments are still payable, any remaining payments will be made, in equal shares, to the employee's then surviving Class B Survivors, but if none are then surviving, in equal shares to the employee's then surviving Class C Survivors but if none are then surviving, no further monthly income payments shall be made;
- c. If a Class B Survivor dies while monthly income payments are still payable, and if another Class B Survivor(s) is still alive, the living Class B Survivor(s) Benefit(s) shall be redetermined according to each Class B Survivor(s) eligibility for Social Security Benefits;

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- d. If a Class B Survivor dies while monthly income payments are still payable, and is not survived by another Class B Survivor, any remaining payments will be made, in equal shares, to any Class C Survivors then surviving, but if no Class C Survivor is then surviving, no further monthly income payments shall be made;
 - e. If a Class C Survivor dies while monthly income payments are still payable, and is survived by another Class C Survivor, the monthly amount which the living Class C Survivor had been receiving shall be redetermined according to the Class C Survivor's eligibility for Social Security Benefits; and
 - f. If a Class C Survivor dies while monthly income payments are still payable, and is not survived by another Class C Survivor, no further monthly income payments shall be made.
- B. A Bridge Survivor Income Benefit of \$600 per month is payable to the Class A Survivor, both terms as defined in Section 5-A above who was 45 years of age or more on the date of the employee's or retired employee's death or whose age (determined to the nearest month as of the date of the employee's or retired employee's death) when combined with the employee's or retired employee's service credit, including partial year's service credit, as of the date of death, totals 55 or more and who has received 24 monthly payments of the Transition Survivor Income Benefit provided in Section 5-A.
- (1) The Bridge Survivor Income Benefit will become payable commencing with the first month following the month for which the 24th monthly payment of the Transition Survivor Income Benefit is paid, provided however that no benefit shall be payable to a Class A Survivor for any month for which the surviving spouse is eligible to receive Survivor's Insurance Benefits for a child/children in care provided under the Federal Social Security Act as now in effect or as hereafter amended.

APPENDIX "I " – ARTICLE II

- (2) The Bridge Survivor Income Benefit will not be paid beyond the earlier to occur of the following: (a) the death or remarriage of the Class A Survivor or (b) attainment by the Class A Survivor of age 62 if such survivor's date of birth is the first or second day of a calendar month, or age 62 and one month if such survivor's date of birth is later than the second day of a calendar month, or such lower age at which full Widow's or Widower's Insurance Benefits become payable under the Federal Social Security Act as now in effect or hereafter amended.
- (3) The Bridge Survivor Income Benefit will also be payable as outlined above to the Class A Survivor as defined in Section 5-A above who is not eligible above, who has received 24 monthly payments of the Transition Survivor Income Benefit provided in Section 5-A, and who is severely disabled. A Class A Survivor shall be deemed severely disabled if, at the date of the employee's death and on the date any Bridge Benefit becomes payable the surviving spouse is suffering from a chronic disease, impairment, or deformity which wholly prevents the surviving spouse from performing normal home responsibilities or any gainful work.

Section 6. Continuance of Insurance for Employees Hired Prior to 1 October 1997

- A. An employee who retires under Section 1 or Section 4 of Article III of the John Deere Pension Plan for Wage Employees shall have the Group Life Insurance reduced as provided in Section 2-C of this Article II.
- B. An employee who retires under Section 2 of Article III of the John Deere Pension Plan for Wage Employees shall have the Group Life Insurance continued until attainment of age 65 in the amount that was in force at the time of the retirement and thereafter the insurance will be reduced as provided for in Section 2-C.

APPENDIX "I " - ARTICLE II

- C. An employee who retires under Section 3 of Article III of the John Deere Pension Plan for Wage Employees shall have the Group Life Insurance continued at the value it bore on the last day worked until the employee's disability pension is redetermined as provided in Section 3-D of Article III of the John Deere Pension Plan for Wage Employees, and thereafter the insurance will be reduced as provided for in Section 2-C.**

Section 7. Termination of Insurance

Except as provided in Article II, Sections 2 and 6, insurance provided for an employee in this Plan shall terminate as follows:

- A. Upon discharge or quitting, insurance will terminate 31 days from date employment terminates.**
- B. Upon leave of absence, insurance will continue for the remainder of the month in which the leave became effective plus 31 days. During the balance of such leave the employee may continue the insurance in force by payment of 60¢ per month per \$1,000 of Group Life Insurance in force.**
- C. In case of layoff, insurance will continue for (1) a period of time which will be determined by the number of weeks the employee is eligible to receive Supplemental Unemployment Benefits (SUB) at the date of layoff, not to exceed twelve (12) months; plus (2) the remainder of the month in which the time period in item (1) above expires; plus (3) one month. Coverage for an employee laid off as a result of a plant closing will be determined by the number of weeks the employee is eligible to receive SUB at the date of layoff but not to exceed 78 weeks. Following the expiration of the maximum number of months for which the insurance is continued without cost to the employee, the employee may continue the insurance for up to an additional twelve months by paying 60¢ per month for \$1,000 of Group Life Insurance in force. If a laid-off employee whose insurance had not terminated is**

APPENDIX "I" – ARTICLE II

employed by another unit of the Company, the employee shall be covered by the amount of Group Life and Disability Insurance in effect with the prior employing unit of the Company.

- D. In case of sickness or injury which has not resulted in total and permanent disability, insurance coverage will continue for the period of sickness or injury or for a period equal to the amount of the employee's continuous employment, *whichever is the lesser, but in any event not less than 52 weeks.*
- E. Upon entering Military Service, insurance will continue for the remainder of the month in which the leave becomes effective plus 31 days.
- F. Upon absence from work for any other reason, insurance will terminate after 31 days from date employment terminates.
- G. An employee who (1) loses seniority through discharge, absence from work without notifying the plant as required by the applicable Collective Bargaining Agreement or plant rules or failure to return to work when called and (2) is seeking to have seniority reinstated through the grievance procedure, may continue the insurance during the period the grievance is pending and the employee contribution for such continuing coverage shall be at the rate of 60¢ per month per \$1,000 of Group Life Insurance in force, provided that if the employee is reinstated the Company will reimburse all the contributions in respect to coverage under this Paragraph H which the Company would have made if the employee had remained on the active payroll.
- H. An employee whose insurance is terminated under Paragraph B above and who retires under Sections 1, 2, 3, or 4 of Article III of the John Deere Pension Plan for Wage Employees will have \$1,500 insurance upon such retirement.

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- I. An employee whose insurance is terminated under Paragraph B, C, or D above and is unable to return to work when recalled because of sickness or injury will have insurance coverage reinstated for a period of time as provided in E above.**
- J. An employee whose insurance is terminated under Paragraph C or D above and who retires under Sections 1, 2, 3, or 4 of Article III of the John Deere Pension Plan for Wage Employees will have insurance coverage reinstated upon such retirement.**

Section 8. Exclusions

- A. Part-time or temporary employees are not eligible for the coverage referred to in this Plan until they become full-time employees. (This does not apply to factory bargaining units.)**
- B. The provisions outlined in Article II, Section 3, Section 5, and Section 6 will not apply to employees hired on or after 1 October 1997.**

Section 9. Designation of Beneficiary

- A. The beneficiary shall be designated by the employee in writing and filed with the Company.**
- B. The right to change of beneficiary is reserved to the insured employee.**
- C. An employee, insured under the provisions of this Plan, may at any time designate a new beneficiary for the indemnity for loss of life by filing with, and on forms provided by, the Company a written request for such change. Upon receipt of such request by the Company, the change shall take effect as of the date the employee signed such request.**
- D. Upon receipt of such request by the Company the change shall relate back to and take effect as of the date the employee signed such request whether or not the**

APPENDIX "I" – ARTICLE II

employee is living at the time of the receipt of such request but without prejudice to the Company on account of any payment made by it before such request shall have been received.

Section 10. Privilege of Obtaining Individual Insurance

- A. In case of the termination of any insurance under this Plan due to termination of an employee's employment, such employee shall be entitled to have issued without further evidence of insurability, upon application within thirty-one days after such termination of employment, and upon the payment of the premium applicable, an individual policy of life insurance. Such policy will become effective following 31 days after the date employment terminates. Such individual policy shall be without disability or other supplementary benefits, in one of the forms, except Term Insurance, customarily issued and in an amount equal to or, at the option of the employee, less than, the amount of such terminated insurance.
- B. Any employee, eligible for benefits specified in Section 5 of this Article on the day immediately preceding the first date such employee is entitled to make application for an individual policy as outlined in A above, may increase such amount of insurance by an amount equal to the total survivor income benefit that would have become payable with respect to such employee under the provisions of Section 5 of this Article if such employee's death had occurred on such day.
- C. Information as to the coverage available and premium rates can be obtained from the Company when insurance terminates.

Section 11. Physical Examinations

The Company, at its own expense, shall have the right to require an employee to submit to an examination by an independent physician designated by it for the purpose of determining continuing disability. The Company shall have the right to examine the employee as often as it may reasonably require during an extended disability.

APPENDIX "J"
GENERAL PROVISIONS OF THE
PROFIT SHARING PLAN

Section 1.

- A. "Plan" means the Profit Sharing Plan, as set forth in Appendix "J-1" attached hereto and made a part hereof, as further modified in accordance with this Appendix "J."
- B. "Bargaining unit" means the respective units for collective bargaining purposes to which the Plan applies pursuant to the Collective Bargaining Agreement.
- C. "Employee" means any person in a bargaining unit covered by the Collective Bargaining Agreement who is actively employed or who is on the seniority list for and a member of such bargaining unit, on or after 3 November 2003.
- D. "Seniority list" means the seniority list provided for in the Collective Bargaining Agreement.
- E. "Service" means the employee's Company service as defined in Section 2-D of the Plan.

Section 2.

The provisions of the Plan attached hereto as Appendix "J-1" shall be made available and shall apply to eligible employees for years which commence on or after 3 November 2003. In the event of any conflict between the provisions of the Plan and this Appendix "J," the provisions of this Appendix "J" shall control.

Section 3.

- A. The provisions of this Section 3 shall apply only to any matters or information in conjunction with this Plan. All decisions with respect to any and all matters affecting the business of the Company are vested exclusively in the management and Board of Directors of the Company.

APPENDIX "J"

Neither the Union nor any employees shall have the right to be informed, notified, or consulted with respect to, or provided information or data concerning such matters except that the International Union shall be provided with such information and data as is required by the terms of this Appendix "J" and the Plan, and upon request as is provided to the shareholders of the Company in the ordinary course of business.

- B. Such matters include, by way of example and without limitation: terms and conditions of employment of employees not within recognized collective bargaining units represented by the Union; the investment of corporate funds; the incurring of debt, the purpose or cost of expenditures for overhead, operating or other expenses; the number, location, size, function and manning of facilities; research into existing or possible new products to be produced; the maintenance of materials and finished goods inventories, the marketing, merchandising, pricing and advertising policies; the financing of the Company including incurring or retirement of debt, the issuance of stock, debentures, notes or other capital instruments; the declaration of dividends; the accounting and financial policies, practices and procedures of the Company; the acquisition, merger, divestiture of assets and holdings; the maintenance of the business plans, and the financial books and records of the Company in confidence; and all other matters heretofore traditionally determined by management or the Board of Directors exclusively.
- C. It is recognized and agreed that all information necessary for the Union to perform its representational duties with respect to the establishment, administration, modification or termination of this Appendix "J," the Plan or any future proposed agreement or plan is provided for by Section 7 of this Appendix "J," or is contained in the financial statements prepared by the Company and audited by the Company's independent certified public accountants.

APPENDIX "J"

- D. The provisions herein with respect to the preservation of management rights and the Union's disclaimers and waivers with respect thereto are given in express consideration for the benefits to be paid hereunder.

Section 4.

The provisions of this Appendix "J" are subject to the following conditions:

- A. The continued deductibility of the Company's payments or contributions pursuant to the Plan under the Internal Revenue Code of 1954 as amended.
- B. Conformance of the Plan with any applicable federal or state legislation or regulations.
- C. The Plan shall not be effective prior to receipt by the Company from the United States Department of Labor of a ruling, satisfactory to the Company, holding that no part of any payments made under the Plan are included for purposes of the Fair Labor Standards Act in the regular rate of any employee. The Company shall apply promptly to the appropriate agency for such ruling.
- D. *In the event that any revisions of the Plan are necessary in order to obtain or maintain any ruling specified above, the Company may make such revisions not inconsistent with the purposes, structure, and basic provisions of the Plan, with the agreement of the Director of the Agriculture Implement Department of the Union insofar as the employees in the respective bargaining units are concerned, adhering as closely as possible to the language and intent of the parties as expressed in these Appendices "J" and "J-1;" provided that any such provisions that may be made shall be made retroactively to the extent necessary to prevent the denial to the Company of any future or past tax deduction referred to above or to bring the Plan into conformity with any applicable federal or state legislation or regulations; provided, further, that no such*

APPENDIX "J"

revisions will result in any corresponding increase in benefits or eligibility for benefits under any other benefit plan of the Company.

Section 5.

The Company, in its discretion, may extend the Plan to persons now or hereafter in its employ outside the bargaining unit.

Section 6.

In the event an employee wishes to seek a review and recalculation of his benefit amount under the Plan with respect to his eligibility or number of hours used to compute his claim (other than any question concerning the principles, determinations and calculations which are described in Section 7-E, the following claim procedure will apply:

Step 1. Review of Claim

Within sixty (60) days of distribution under the Plan, the employee shall first seek a satisfactory explanation from the Company with respect to the calculation of his claim.

Step 2. Denial of Claim

- A. When a claim is denied in full or in part, the claimant shall receive a written notice from the Company within sixty (60) days from the date of filing of the claim of the reason or reasons for such denial.
- B. Except as otherwise specifically provided, a request for review of the denial of benefits must be submitted within sixty (60) days of such denial, in writing, to the Plan Administrator. The Plan Administrator will reply to such request within sixty (60) days.

Section 7.

- A. Not later than 31 December of each year, the Company shall supply to all employees (or their authorized representative), the following information:

APPENDIX "J"

- (1) The total hours actually worked by the employee;
 - (2) A statement showing the calculation of the total profit sharing benefit amount including a statement specifying the amounts used in the calculation.
 - (3) A statement of the total benefit amount due to the employee based upon the hours actually worked by the employee (or in the case of any employee who is not entitled to a benefit, a statement that no amount is due); and
 - (4) A statement of the total number of eligible employees and the total benefit amount due or paid to all such employees under the Plan and a calculation of the average benefit due or paid to such employees except that, for any year for which no benefit is payable to any eligible employee because the Profit Sharing Benefit Percent set forth in the payment schedule of the Plan is 0.00%, the Company shall not provide the information specified in items 1, 3 and 4 above and shall provide the information specified in 2 above only to the International Union.
- B. Information concerning any individual employee shall be considered confidential and shall not be disclosed to other persons except as otherwise provided herein.
- C. Not later than 15 January of the year following the Plan Year, except as noted below, the Company will provide two copies of the following information to the International Union.
- (1) The names of all eligible employees within each local bargaining unit;
 - (2) The total hours actually worked by all eligible employees within each local bargaining unit;
 - (3) The names of all employees within each local bargaining unit considered ineligible and a summary statement of the reasons therefor;

APPENDIX "J"

- (4) A statement by employee name of the benefit amount due or paid to each eligible employee within each local bargaining unit;
 - (5) Copies of the published financial statements of the Company and the related Form 10K for the fiscal year, as soon as available after 15 January; and
 - (6) A report by the Company's independent certified public accountants stating whether, in their opinion, the computation of the total profit sharing benefit amount was made in accordance with the provisions of the Plan. This report would include a computation of the profit percentage defined in Section 4 of the Plan and would be supported by the independent certified public accountants' audit.
- D. Notwithstanding the foregoing, for any year for which no benefit is payable to any eligible employees because the Profit Sharing Benefit Percent set forth in the payment schedule of the Plan is 0.00%, the Company shall not provide the information specified in 1, 2, 3, and 4 of Paragraph C above and shall provide to the International Union only the information specified in 5 and 6 of Paragraph C above.
- E. All accounting and financial determinations and calculations with respect to profit after income taxes and Return On Assets contained in the combined income statement and combined statement of assets for the North American, Agricultural and Construction & Forestry Equipment Business Segments and the statements for Worldwide net income and assets shall be made by the Company to reflect fairly the results of operations for the fiscal year and shall be made in conformity with generally accepted accounting principles. The opinion of the firm of independent certified public accountants selected by the Company that the "profit percentage" was determined in accordance with the provisions of the plan shall be a conclusive determination as between the Company and the Union that such is the case. Such determinations,

APPENDIX "J"

calculations, and opinion shall not be subject to review or arbitration under Section 6 of this Appendix "J" or the provisions of any other agreement between the parties; except that any disagreement over the interpretation of the terms of Appendix "J" or Plan (but not a disagreement over the "profit percentage" and related amounts or percentages, including the percentage of Return On Assets or the dollar amount of profits or losses, certified by such independent certified public accountants) may be submitted to a mutually acceptable impartial person for resolution at the request of either party to this Appendix "J." The Company will respond to reasonable requests from the International Union for information relating to the terms of the Plan, but any such request shall not include a request for information regarding the determination of Return On Assets, profits, and other accounting and financial items.

- F. Except as provided in this Section 7, employees, their authorized representatives, or the Union shall not be entitled to obtain from the Company any additional information.

Section 8.

Termination of the Collective Bargaining Agreement pursuant to Article XXIII thereof shall not terminate the further accrual of benefit amounts pursuant to Section 4 of the Plan through the last day of the fiscal year in which this Collective Bargaining Agreement is terminated and shall not have the effect of otherwise automatically terminating the Plan.

APPENDIX "J-1"

PROFIT SHARING PLAN

Section 1. Type of Plan and Purpose

- A. This Plan is a profit sharing plan. The purpose of the Plan is to provide contingent benefits to employees to reflect their efforts in contributing to the profitability of the Company and to serve as an incentive for the employees further to contribute to the continued and further financial success of the Company and to its ability to provide continued employment opportunities to its employees.
- B. It is understood and agreed by all parties hereto that the duty of the Company, its Board of Directors, and the management they select is to provide the Company's shareholders protection of, and a maximum return on, their investment, consistent with retention in the business of such profits as the Board of Directors of the Company deems prudent, and with fair and competitive prices, wages, benefits and other terms of employment; no provision of this Plan shall be construed as altering that objective or in any way limiting management or such Board of Directors in the performance of their duties.

Section 2. Definitions

- A. "Company" means Deere & Company and its various U.S. subsidiaries and affiliates that adopt or have adopted the Plan.
- B. "Effective date" of this Plan means 3 November 2003.
- C. "Employee" means any person who is a resident or citizen of the United States of America and who on or after the effective date is in the regular full-time employ of the Company and is employed for work on the prevailing schedules of the department to which he is assigned, and who is included in a group to whom the Plan has been made available by collective bargaining agreement or by extension by the Company and includes any such person while absent from work under circumstances which do not break continuity of service.

APPENDIX "J-1"

D. "Company Service" means the total period elapsed subsequent to an Employee's first date of hiring as an employee by the Company, exclusive of any period during which an employee is not, or was not, in active service as an employee of the Company (whether resulting from discharge, suspension, resignation or quit, or any other cause) except that there shall be included in such total period of service all periods of absence pursuant to leave of absence granted by the Company, all periods of layoff after the employee's last date of hiring as an employee by the Company and for up to twelve (12) months of each prior period of layoff which commenced after 1 December 1976. Upon reemployment following any break in service,

- (1) prior service shall be reinstated regardless of duration of such break in service in accordance with the preceding sentence; and
- (2) if the employee is reemployed by the Company after 1 December 1976 within one year from the day he last performed an hour of service for the Company, he will receive additional service for his period of absence from active service with the Company equal to the lesser of
 - (a) his period of absence, or
 - (b) one year less any period of absence otherwise credited.

The term "first date of hiring" means the first day an employee performs one hour of service with the Company; the term "break in service" means the period which begins on the date he severs his service with the Company and ends if an employee is reemployed by the Company on the first day the employee performs one hour of service following such reemployment; and an employee "severs his service" on the date he quits, retires, is discharged, dies, or otherwise terminates his employment with the Company. The records of the Company with respect to an employee's service will be conclusive unless shown to the Plan Administrator's satisfaction to be incorrect.

APPENDIX "J-1"

- E. "Participant" means any employee who becomes eligible to be covered by the Plan pursuant to Section 3-A.
- F. The "fiscal accounting year" is the 12-month period used by the Company to conduct its official business for internal and external reporting purposes. The dates for the fiscal years covered by this agreement are as follows:
- Fiscal 2004: 03 NOV 2003 through 31 OCT 2004
 - Fiscal 2005: 01 NOV 2004 through 30 OCT 2005
 - Fiscal 2006: 31 OCT 2005 through 29 OCT 2006
 - Fiscal 2007: 30 OCT 2006 through 28 OCT 2007
 - Fiscal 2008: 29 OCT 2007 through 02 NOV 2008
 - Fiscal 2009: 03 NOV 2008 through 01 NOV 2009
- G. The "Plan Year" is the Company's fiscal accounting year.

Section 3. Eligibility and Participation

- A. Each employee of the Company who is a member of a group of employees to whom the Plan has been extended by the Company or by any applicable collective bargaining agreement then in effect shall be eligible to be covered by the Plan and become a participant as of the later of the effective date or the first day of any payroll period on or after the date he has completed one or more years of Company service.
- B. Any participant shall be eligible for a profit sharing benefit under the Plan for any Plan Year which commences on or after 3 November 2003 provided that he is an active employee of the Company on the last day of that Plan Year or is on leave of absence or layoff from the Company on the last day of that Plan Year; except that any otherwise eligible employee who died, retired, or was employed at a facility of the Company which was sold during such year shall also be covered as if he were an active employee on the last day of that Plan Year.

APPENDIX "J-1"

Section 4. Amount of Benefit

A. The amount of the benefit which shall accrue for a participant for any Plan Year shall be computed by multiplying the following three elements:

- (1) the number of hours worked in that Plan Year by the participant;
- (2) the average straight-time hourly rate of pay plus any cost-of-living and general wage increase allowances as of the last day of the Plan Year (or as of the last day of active work of the employee if earlier); and
- (3) the Profit Sharing Benefit Percent(s) as determined in Paragraph B below times 50%.

The total benefit will equal the addition of the 50% benefit determined from the combined North American Agricultural and Construction & Forestry rate schedule, plus the 50% benefit determined from the Worldwide rate schedule.

A participant's number of hours worked shall include only the actual number of hours that the participant was actively at work in such Plan Year and shall not include any hours for which the participant was paid but during which he performed no work for the Company; except that

- (1) in the case of a Union representative who was exercising the privileges and/or performing the legitimate duties of his office, there shall also be counted the hours for which he was paid wages pursuant to the Collective Bargaining Agreement; and
- (2) there shall also be counted any hours for which a participant is awarded back pay as a result of a final resolution of a grievance pursuant to the Collective Bargaining Agreement. The two applicable profit percentages for any Plan Year shall be determined as follows:

APPENDIX "J-1"

- i. Divide (a) Combined North American Agricultural and Construction & Forestry profit by (b) the sum of the North American Agricultural and Construction & Forestry Business Segment month end asset balances from October to October, excluding November divided by twelve (12). Assets are defined in accordance with generally accepted accounting principles and represent the identifiable assets of the North American Agricultural and Construction & Forestry operations.
- ii. Divide (a) Worldwide profit by (b) the sum of the Worldwide month end asset balances from October to October excluding November divided by twelve (12). Assets are defined as the Equipment Operations assets with the Financial Services subsidiaries included on an equity basis.

Profits in calculations i. and ii. are the total net income after taxes before deducting

- (a) bonus payments to salaried employees (net of tax),
- (b) profit sharing benefits under this plan or benefits under any similar profit sharing plan (net of tax); and
- (c) extraordinary gains or losses, as defined under generally accepted accounting principles (net of tax).

For purpose of (a), (b), and (c) above, taxes shall be calculated using the effective tax rate determined from the respective statements of income.

The profit and asset values as defined in this section shall be prepared using generally accepted accounting principles. The profit percentages and underlying profits and assets shall be audited by the Company's independent certified public accountants, whose opinion shall be final and conclusive. The amount of benefit shall not be a part of the participant's hourly rate of pay and shall not be included in the calculation of any amount of other pay, allowance or benefit under any other agreement or plan covering such participant.

APPENDIX "J-1"

B. Payment Schedule. The following schedule shall be used to determine the applicable Profit Sharing Benefit Percent:

Worldwide Return on Assets		Profit Sharing Benefit Percent	N.A. Agricultural & Construction & Forestry Return on Assets		Profit Sharing Benefit Percent
At Least	But Less Than		Benefit Percent	But Less Than	
0.01%	2.65%	0.14%	0.01%	1.60%	0.14%
2.65	2.87	0.29	1.60	1.90	0.29
2.87	3.10	0.46	1.90	2.20	0.46
3.10	3.32	0.64	2.20	2.50	0.64
3.32	3.55	0.81	2.50	2.80	0.81
3.55	3.77	0.99	2.80	3.10	0.99
3.77	4.00	1.16	3.10	3.40	1.16
4.00	4.22	1.34	3.40	3.70	1.34
4.22	4.45	1.51	3.70	4.00	1.51
4.45	4.67	1.69	4.00	4.30	1.69
4.67	4.90	1.86	4.30	4.60	1.86
4.90	5.12	2.04	4.60	4.90	2.04
5.12	5.35	2.21	4.90	5.20	2.21
5.35	5.57	2.39	5.20	5.50	2.39
5.57	5.80	2.56	5.50	5.80	2.56
5.80	6.02	2.74	5.80	6.10	2.74
6.02	6.25	2.91	6.10	6.40	2.91
6.25	6.47	3.09	6.40	6.70	3.09
6.47	6.70	3.26	6.70	7.00	3.26
6.70	6.92	3.44	7.00	7.30	3.44
6.92	7.15	3.61	7.30	7.60	3.61
7.15	7.37	3.79	7.60	7.90	3.79
7.37	7.60	3.96	7.90	8.20	3.96
7.60	7.82	4.14	8.20	8.50	4.14
7.82	8.05	4.31	8.50	8.80	4.31
8.05	8.27	4.49	8.80	9.10	4.49
8.27	8.50	4.66	9.10	9.40	4.66
8.50	8.72	4.84	9.40	9.70	4.84
8.72	8.95	5.01	9.70	10.00	5.01
8.95	9.17	5.19	10.00	10.30	5.19
Etc.	Etc.	Etc.	Etc.	Etc.	Etc.

Section 5. Payment of Benefit

- A. Any benefit amount which is payable for any year shall be paid to an eligible participant not later than 15 January of the year following the Plan Year for which the benefit amount is computed. Union dues and required withholding for federal, state, and local taxes shall be deducted from the amount of such benefit.
- B. Profit sharing benefits payable under this Plan shall be considered eligible earnings for employees who participate in the John Deere Tax Deferred Savings Plan ("Savings Plan"). The Savings Plan deferral percent in effect at the time of the profit sharing payment will be applied to the profit sharing benefit in accordance with rules and regulations under the Savings Plan.
- C. If a participant is deceased at the time any benefit is payable to him, the amount of such benefit shall be payable to the same person or persons and in the same proportionate amount as shall be payable to the beneficiary or beneficiaries designated under the John Deere Group Life and Disability Insurance Plan.

Section 6. Miscellaneous

- A. Administration of the Plan. Except as otherwise expressly provided in an applicable collective bargaining agreement, the Plan shall be administered by the Company who shall be the Plan Administrator and shall be authorized to
 - (1) determine all questions arising in the administration of the Plan,
 - (2) establish rules and procedures to carry out its duties and responsibilities,
 - (3) delegate such duties and responsibilities to employees of the Company, and
 - (4) do all other acts which in its judgment are necessary for the proper administration of this Plan.

APPENDIX "J-1"

- B. Facility of Payment. If the Plan Administrator shall receive satisfactory evidence that any participant or other person entitled to receive a benefit under this Plan is physically or mentally incompetent to receive such benefit and to give a valid release therefore, the Plan Administrator shall have the discretion to make payment in one or more of the following ways:
- (1) directly to such participant or person,
 - (2) to his legal guardian or conservator, or
 - (3) to his spouse or to any other person to be expended for his benefit. The decision of the Plan Administrator shall be in each case final and binding on all persons in interest.
- C. Amendment and Termination of Plan. Deere & Company shall have the power at any time and from time to time, by action of its Board of Directors, to amend or terminate this Plan; provided, however, that no amendment or termination, under any circumstances, with respect to any employees that are represented by a collective bargaining unit may be adopted without the consent of the appropriate collective bargaining representative during the term of the applicable collective bargaining agreement which extends this Plan to such employees.
- D. Employment Rights. Participation in the Plan will not give any employee of the Company any right to be retained in the service of the Company nor any right to claim any benefit under the Plan unless such right or claim has specifically accrued under the terms of the Plan.
- E. Nonassignability. The interests of participants and their beneficiaries under the Plan are not in any way subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred or assigned by them except with respect to indebtedness owing to the Company. Any amount alienated or assigned to the Company shall not exceed 10% of the amount payable

APPENDIX "J-1"

under the Plan to the participant or beneficiary and such alienation or assignment shall be revocable at any time by the person making such alienation or assignment.

- F. Action by the Company. Any action required or permitted to be taken by the Company hereunder may, except as otherwise expressly provided, be taken by persons designated by the Company.
- G. Gender and Number. Where the context admits, words in the masculine gender shall include the feminine gender, the plural shall include the singular, and the singular shall include the plural.
- H. Waiver of Notice. Any notice required under the Plan may be waived by the person entitled thereto.
- I. Limitation of Liability. To the extent permitted by law, neither the Plan Administrator, nor the Company nor any director, officer, or employee of the Company, shall have any personal liability of any nature for any act done or omitted to be done in good faith, under or in connection with the Plan.
- J. Notice of Claim Denial. The Plan Administrator will provide notice in writing and within sixty (60) days to any employee, participant, or beneficiary whose claim or eligibility for benefits under the Plan has been denied, setting forth the specific reasons for such denial. Subject to the express provisions of any applicable collective bargaining agreement, the employee, participant, or beneficiary will be given an opportunity for a full and fair review by the Plan Administrator of the decision denying his claim or eligibility for benefits. The employee, participant, or beneficiary will be given 60 days from the date of the notice denying such claim or eligibility within which to request such review.

APPENDIX "L"
GENERAL PROVISIONS OF THE
JOHN DEERE TAX DEFERRED SAVINGS PLAN

Section 1. Definitions

- A. "Plan" means the John Deere Tax Deferred Savings Plan as set forth in Appendix "L-1" attached hereto and made a part hereof, as further modified in accordance with this Appendix "L."
- B. "Bargaining unit" means the respective units for collective bargaining purposes to which the Plan applies pursuant to the Collective Bargaining Agreement.
- C. "Employee" means any person in a bargaining unit covered by the Collective Bargaining Agreement who is actively employed by an employer, or who is on the seniority list for and a member of such bargaining unit on or after the effective date of the Plan.
- D. "Seniority list" means the seniority list provided for in the Collective Bargaining Agreement.
- E. "Year of Service" means the employee's service as defined in Section 2.1-BB of the Plan.

Section 2. Establishment of Plan

- A. Subject to the receipt by the Company of approval by the Internal Revenue Service as meeting the requirements of Section 401(a) and 401(k) of the Internal Revenue Code and of any applicable approval of the Securities and Exchange Commission, the Company will establish the Plan for eligible employees. In the event of any conflict between provisions of the Plan and Appendix "L," Appendix "L" shall control.
- B. Each employer, as defined in the Plan, in its discretion, may extend the Plan to persons now or hereafter in its employ outside the bargaining unit.

APPENDIX "L"

- C. Notwithstanding any other provision of Appendix "L" or of the Plan, in the event that any revisions of the Plan are necessary in order to obtain or maintain any approval specified above, the Company may make such revisions, not inconsistent with the purpose, structure and basic provisions of the Plan, with the agreement of the Director of the Agricultural Implement Department of the Union insofar as the employees or the respective bargaining units are concerned, adhering as closely as possible to the language and intent of the parties as expressed in Appendix "L" and the Plan; provided that any such provisions that may be made shall be made retroactively to the extent necessary to prevent the denial to the Company of any future or past tax deduction (as provided in Section 4.4 of the Plan) or to bring the Plans into conformity with any applicable federal or state laws or regulations; provided further that no such revisions will result in any corresponding increase in benefits or eligibility for benefits under any other plan of the Company.
- D. During the term of this Collective Bargaining Agreement the Company will continue to make matching contributions in cash.

Section 3. Limitations

- A. The provisions of this Section 3 shall apply only to any matters or information in conjunction with this Plan. All decisions with respect to any and all matters affecting the business of an employer are vested exclusively in the management and Board of Directors of the employer. Neither the Union nor any employees shall have the right to be informed, notified, or consulted with respect to, or provided information or data concerning such matters except that the International Union shall be provided with such information and data as is required by the terms of Appendix "L" and the Plan, and upon request as is provided to the shareholders of the Company in the ordinary course of business.

APPENDIX "L"

- B. Such matters include, by way of example and without limitation: terms and conditions of employment of *employees not within recognized collective bargaining units* represented by the Union; the investment of corporate funds; the incurring of debt, the purpose or cost expenditures for overhead, operating or other expenses; the number, location, size, function and manning facilities; research into existing or possible new products to be produced; the maintenance of materials and finished goods inventories, the marketing, merchandising, pricing and advertising policies; the financing of the employers including incurring or retirement of debt, the issuance of stock, debentures, notes or other capital instruments; the declaration of dividends; the accounting and financial *policies, practices and procedures of the employers*; the acquisition, merger, divestiture of assets and holdings; the maintenance of the business plans, and the financial books and records of the employers in confidence; and all other matters heretofore traditionally determined by management or the Board of Directors exclusively.
- C. It is recognized and agreed that all information necessary for the Union to perform its representational duties with respect to the establishment, administration, modification or termination of Appendix "L," the Plan or any future proposed agreement or plan is provided for by Section 4 of this Agreement, or is contained in the published financial statements and such releases and periodic reports of the Company to its shareholders or to the Securities and Exchange Commission as are provided in the ordinary course of business pursuant to the Securities Exchange Act of 1934.
- D. The provisions herein with respect to the preservation of management rights and the Union's disclaimers and waivers with respect thereto are given in express consideration for the benefits to be provided hereunder.

APPENDIX "L"

Section 4. Information to Union

- A. The Company will provide to the International Union a copy of materials provided to Participants in the Plan which show the performance of the investment funds listed in Article VI of the Plan, at approximately the same time such materials are provided to Participants.
- B. The Union hereby disclaims any interest in and waives any contractual or statutory right to any additional financial information or accounting records concerning the employers.

Section 5. Claim Procedure

In the event an employee or beneficiary wishes to seek a review under the Plan and make a claim with respect to his eligibility or his account, the following claim procedure will apply:

Step 1

The employee or beneficiary shall first seek a satisfactory explanation from the Company with respect to his claim within 60 days of the event on which such claim is based.

Step 2

- A. If a claim is denied in full or in part, the employee or beneficiary will receive a written notice from the Company within three (3) months from the date of filing of the claim of the reason or reasons for such denial.
- B. Except as otherwise specifically provided, a request for review of the denial of benefits must be submitted within sixty (60) days of such denial, in writing, to the Plan Administrator. The Plan Administrator will reply to such request within sixty (60) days.

APPENDIX "L"

Section 6. Termination of the Collective Bargaining Agreement

Appendix "L" shall remain in force for the term of the Collective Bargaining Agreement and thereafter from the termination of the Collective Bargaining Agreement until the elapse of 12 months and thereafter year to year unless at least 60 (but not more than 90) days prior to the end of any such year, any party gives written notice to the other that it desires modification or termination. In the event that any negotiations following such notice do not result in an agreement for renewal, with or without modification, prior to the end of the year to year extension, Appendix "L" shall terminate at the end of any such extension unless further extended by mutual agreement. Termination of Appendix "L" shall not, however, terminate further employer contributions pursuant to the Plan through the last day of the year in which Appendix "L" is terminated and shall not have the effect of otherwise automatically terminating the Plan.

Section 7. Compensation

For the purpose of this Plan, compensation eligible for deferral is outlined in the Letter on TDSP EARNINGS and its attachment.

APPENDIX "L-1"
JOHN DEERE TAX DEFERRED SAVINGS PLAN
FOR WAGE EMPLOYEES

ARTICLE I
ESTABLISHMENT OF PLAN

Section 1.1 Establishment of Plan

Deere & Company; a Delaware Corporation, (the "Company") hereby establishes the John Deere Tax Deferred Savings Plan for Wage Employees (the "Plan") effective 1 September 1987.

Section 1.2 Purpose

The purpose of the Plan is to provide a tax deferred method of savings and investment to certain eligible employees of the Employer. The Plan was established and is maintained pursuant to Sections 401(a) and 401(k) of the Internal Revenue Code 1986 (the "Code") as amended and the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended, and is conditioned upon initial determination by the Internal Revenue Service that it meets the requirements of such sections and federal laws or any successor statute.

Section 1.3 Trust

All contributions made under the Plan are held and managed by the Trustee acting under a Trust Agreement which forms a part of the Plan. All rights which may accrue to any person under the Plan shall be subject to all terms and provisions of the Trust Agreement as in effect from time to time.

Section 1.4 Trustee

- A. A Trustee shall be designated by the Plan Administrator and a Trust Agreement executed between the Plan Administrator and such Trustee, under the terms of which a Trust Fund will be established to receive, hold, invest and reinvest contributions made by the Employers and to pay the benefits to Participants and Beneficiaries as provided under the Plan.

APPENDIX "L-1" – ARTICLE I

- B.** *The Plan Administrator will determine the form and terms of any such Trust Agreement, may remove any Trustee or select any successor Trustee, and may amend, modify or alter any such Trust Agreement at any time.*

Section 1.5 Plan Administrator

The Company is the Plan Administrator as described in Section 3(16) of ERISA and a "named fiduciary" with respect to the Plan as described in Section 402 of ERISA.

Section 1.6 Impossibility of Diversion

At no time shall any part of the corpus or income of the Trust Fund, after deducting any expenses properly chargeable thereto, be used for or diverted to purposes other than for the exclusive benefit of the Participants and their Beneficiaries, except that, to the extent permitted by applicable law and regulations and rulings thereunder, notwithstanding anything in the Plan to the contrary:

- A.** All Employer contributions under the Plan are conditioned on initial qualification of the Plan under Section 401(a) of the Code, and if the Plan does not initially qualify the Trustee shall, upon written request of the Company, return to each Employer the amount of its contributions and any increment thereon within one year after the date qualification of the Plan is denied;
- B.** Every Employer contribution is conditioned upon the deductibility of the contribution under Section 404 of the Code, and, to the extent the deduction for any such contribution is disallowed, the Trustee shall, upon written request of the Company, return the contribution (to the extent disallowed) to the Employer making the contribution within one year after the disallowance of the deduction; and
- C.** If a contribution or any portion thereof is made by an Employer by a mistake of fact, the Trustee shall, upon written request of the Company return the contribution or such portion to such Employer within one year after the payment of the contribution.

ARTICLE II DEFINITIONS

Section 2.1 Definitions

The following words and phrases as used in the Plan shall have the following meanings unless a different meaning is clearly required by the context:

- A. Account. Any of the accounts maintained for a Participant as described in Article V.
- B. Beneficiary. The person or persons to whom a deceased Participant's benefits are payable under Section 7.7.
- C. Compensation. A Participant's total compensation (as defined in Section 415 of the Internal Revenue Service Code) payable in any Plan Year to the participant by the Employers (before deductions and before charging against such Compensation any Employer payment under Article IV for services rendered to them, excluding, however, contributions by the Employers under any other profit sharing or any other employee benefit plan.) In no event shall Compensation taken into account under this Plan on or after 1 November 1989 and before 1 November 1994 exceed \$200,000, as adjusted by the Internal Revenue Service for increases in the cost of living. And in no event shall Compensation taken into account under this Plan on or after 1 November 1994 exceed \$150,000, as adjusted by the Internal Revenue Service for increases in the cost of living. In determining Compensation, for Plan Years ending prior to 1 November 1997, the rules of Section 414 (q)(6) of the Code shall apply, except in applying such rules, the term "family" shall only include spouse and lineal descendants who have not attained age 19 before the close of the plan year. The limitation shall be allocated among the family members in proportion to their Compensation (determined without regard to such limitation). In no event shall Compensation taken into account under this Plan for Plan

APPENDIX "L-1" – ARTICLE II

Years beginning on or after 1 November 2002 exceed \$200,000, as adjusted by the Internal Revenue Service for increases in the cost of living.

- D. Direct Rollover from the Plan. A Direct Rollover from the Plan is a transfer that is made by issuing a check to the Distributee in the name of the transferee trust for the amount of the distribution, or by directly transferring such amount to a transferee trust or an individual retirement account or individual retirement annuity that is qualified under the Code.
- E. Direct Rollover to the Plan. A Direct Rollover to the Plan is a transfer that is made directly to the Trust defined in Section 1.3 of Article I of this Plan from a trust qualified under sections 401 and 501 of the Code in a former qualified plan in which the employee was a participant, or from the Employee's conduit individual retirement account.
- F. Eligible Employee. Any Employee of an Employer who is eligible as provided in Section 3.1.
- G. Employee. Any individual who is employed by an Employer.
- H. Employer. The Company and any subsidiary or affiliate of the Company that adopts the Plan as provided in Section 10.1. With respect to each Employee, the term "Employer" means his principal employer.
- I. ERISA. The Employee Retirement Income Security Act of 1974.
- J. Highly Compensated Employee.

(1) Any employee who:

- a. was a five percent owner (within the meaning of Code Section 416(i)(1)) at any time during the current year or the prior year; or

APPENDIX "L-1" – ARTICLE II

- b. for the prior year had compensation from the Employer in excess of \$80,000 (or such other amount as indexed in compliance with the Code) and was in the top twenty percent of employees when ranked on the basis of compensation paid during the year;
- (2) Compensation for determining highly compensated employees shall be defined as compensation within the meanings of Code Section 415(c)(3).
- (3) For the purpose of determining the size of the highly compensated employee group for category (1)-b above, the following employees are excluded:
 - a. Employees who have not completed six months of service;
 - b. Part-time employees who normally work less than 17½ hours per week;
 - c. Seasonal employees who normally work less than six months in a year;
 - d. Employees under age 21;
 - e. Union-represented employees;
 - f. Nonresident aliens who do not receive U.S. income from the Employer.
- K. Hours Worked. With respect to any Employee, "Hours Worked" include:
 - (1) Each hour for which he is paid, or entitled to payment, such hours to be credited to him for the computation period or periods in which the duties are performed; and

APPENDIX "L-1" – ARTICLE II

- (2) Each hour for which back pay, irrespective of mitigation of damages, is awarded or agreed to by the Employer to the extent that such award or agreement is intended to compensate him for periods during which he would have been engaged in the performance of duties for the Employer; provided that (a) the same Hours shall not be credited under both clause (1) and this clause (2), and (b) Hours under this clause shall be credited for the computation period or periods to which the award or agreement pertains rather than the computation period in which the award, agreement or payment is made.
- L. Investment Fund. Any of the investment funds described in Section 6.2.
- M. Leave of Absence. Any period of an Employee's absence from active employment authorized by the Employer in accordance with uniform rules applied in a nondiscriminatory manner, and any period of service under Uniformed Services of the United States so long as the Employee has reemployment rights under applicable federal law. The service of an Employee shall not be considered as broken or terminated during any period while he is on Leave of Absence. If the Employee does not return to active service with an Employer on or before the expiration of his Leave of Absence or while his reemployment rights are protected by applicable federal law, his service shall be considered as terminated as of the date of the expiration of his Leave or reemployment rights.
- N. Loan Fund. The Investment Fund consisting of loans from the Plan to Participants as provided in Section 7.5.
- O. Matching Funds. A contribution made by an Employer as described in Section 12.2.
- P. Non-Highly Compensated Employee. Any employee who is not a Highly Compensated Employee.

APPENDIX "L-1" – ARTICLE II

- Q. Participant. An Eligible Employee who becomes a participant in the Plan as provided in Section 3.2.
- R. Plan. This Plan, as amended from time to time.
- S. Plan Administrator. The Company
- T. Plan Year. The 12-month period beginning on 1 November of each year and ending on 31 October of the following year.
- U. Recordkeeper. Fidelity Management Trust Company, a Massachusetts Trust Company, or any corporation into which it may merge or with which it may be consolidated or which otherwise succeeds to substantially all of its business, or any subsidiary that may be designated by Fidelity Management Trust Company
- V. Related Employer. Any corporation or other employer during any period while it is, together with any Employer, a member of a controlled group of corporations or an affiliated service group or under common control (within the meaning of section 414(b), (c) or (m) of the Code, except that for purposes of Section 5.4, section 414(b) and (c) of the Code shall be applied with the modification provided by section 415(h) of the Code).
- W. Rollover Account. The account of a Participant to which is credited a "Rollover Contribution" as described in Section 4.7.
- X. Tax Deferred Account. The Account of a Participant to which are credited any wage deferrals on his behalf.
- Y. Tax Deferred Agreement. An agreement between the Employer and a Participant described in Section 4.6.
- Z. Tax Deferred Contribution. A contribution made by the Employer on behalf of a Participant pursuant to a Tax Deferred Agreement as provided in Section 4.6

APPENDIX "L-1" – ARTICLE II

- AA. Trust Agreement. The trust agreement creating the John Deere Tax Deferred Savings Trust, as amended from time to time.
- BB. Trustee. The trustee or trustees acting from time to time under the Trust Agreement.
- CC. Valuation Date. The close of each business day.
- DD. Year of Service. For any Employee, a 12-month period, beginning on the date of his employment or on any succeeding anniversary of that date, for which he is credited with at least 500 Hours Worked, a year of service will be credited. An Employee's period of service with any Related Employer shall be included in Years of Service to the same extent as if such service were performed for the Employer.

Section 2.2 Gender and Number

In the Plan and Trust Agreement, wherever the context admits, words in the masculine gender include the feminine and neuter genders, words in the singular include the plural and words in the plural include the singular.

ARTICLE III ELIGIBILITY AND PARTICIPATION

Section 3.1 Eligibility

Each Employee of the Employers who meets all of the following requirements on the effective date will become an Eligible Employee on the effective date; and any other Employee of the Employers will become an Eligible Employee as soon as practicable or on the first day of the next succeeding pay period following the pay period in which he meets all of such requirements:

- A. He is a resident or citizen of the United States of America;
- B. He is a regular Employee of one or more Employers (that is, one who is hired for an indefinite period and is employed for work on the prevailing schedules of the department or departments to which he is assigned);
- C. He is included in a group for which an agent for collective bargaining has signed an agreement making this Plan applicable to such group or in a group to whom this Plan has been extended by an Employer; and

Section 3.2 Participation

An Eligible Employee may become a Participant in the Plan pursuant to Section 4.1. as of the date he first becomes eligible or as of the first day of any subsequent pay period. Employees will be notified of the eligibility requirements as specified in the Plan through such general announcements as the Plan Administrator shall authorize, but neither the Employers, the Plan Administrator, nor the Trustee shall have any duty or obligation to notify an individual Employee of any date as of which he is eligible to become a Participant in the Plan.

APPENDIX "L-1" – ARTICLE III

Section 3.3 Change of Status

- A. If an Employee changes from ineligible to eligible status by reason of a change of payroll class or a transfer from a Related Employer that has not adopted the Plan to the employ of an Employer, he shall be eligible to become a Participant as of the first day of the pay period coinciding with or next following the later of the date of change of status or his completion of the eligibility requirements of Section 3.1.
- B. If a Participant changes from eligible to ineligible status by reason of a change of payroll class or a transfer to the employ of a Related Employer that has not adopted the Plan, he shall be treated for all purposes of the Plan as if he were on Leave of Absence, without the right to share in any contributions while in that status. However, he shall not be considered to have terminated employment for purposes of the Plan so long as he remains in the employ of an Employer or any Related Employer. Such a Participant shall not be entitled to any distribution of benefits under the Plan except as otherwise provided in the Plan.

Section 3.4 Reemployment

A former Eligible Employee shall again be eligible to become a Participant upon his reemployment as an Eligible Employee. Except as provided above, if a former Employee is reemployed, he shall be considered as a new Employee.

Section 3.5 Continued Participation

Except as provided in Section 3.3, once an Employee becomes a Participant, he, or in the event of his death his Beneficiary, shall be treated as a Participant until the entire balances in his Accounts have been distributed or forfeited.

Section 3.6 Uniformed Services Employment and Reemployment Rights Act of 1994

An Employee who took a military leave of absence from the Company and immediately entered the service of the Uniformed Services of the United States will be considered as continuing to have been employed by the Company; will be given an opportunity for "make-up contributions" in order to receive matching contributions thereon if applicable; and service in the Uniformed Services of the United States will be credited towards vesting; all in accordance with Section 414(u) of the Code, provided the employee has reemployment rights under applicable law and does become reemployed by the Company under the provisions of that law.

Section 3.7 Effect of Layoff or Leave of Absence

If a Participant is granted a Leave of Absence or is laid off because of lack of work, his employment with an Employer shall not be deemed to have terminated for the purposes of this Plan unless and until such Participant incurs a break in seniority and/or loses his employment recall rights.

ARTICLE IV CONTRIBUTIONS

Section 4.1 Election and Amount of Contributions

- A. An Eligible Employee, in his sole discretion, may elect to become a Participant and authorize contributions under the Plan by contacting the Recordkeeper authorizing such Recordkeeper to reduce the Participant's Compensation during his period of participation in the Plan as described in Section 4.6.
- B. If an Eligible Employee does not elect to become a Participant as of his initial eligibility date, he may elect to become a Participant as of the next practicable pay period if he then meets the requirements of Section 3.1.

Section 4.2 Suspension of Authorized Contributions

- A. A Participant may voluntarily suspend his authorization of contributions under the Plan by contacting the Recordkeeper.
- B. The contributions of an employee who ceases to meet one or more of the eligibility requirements specified in Article III of the Plan will be suspended automatically. An Employee whose contributions were suspended for failure to meet such eligibility requirements will be eligible to resume his authorization of contributions after he again satisfies such requirements.
- C. Notwithstanding paragraph A and B to the contrary, the contributions of a Participant who received a withdrawal before termination of employment, pursuant to Section 7.4.A, shall have his contributions suspended in accordance with the provisions of such Section 7.4.A.

APPENDIX "L-1" – ARTICLE IV

Section 4.3 Employer Payment of Authorized Contributions

The Wage Deferral Contributions for any payroll period shall be paid to the Trust Fund as soon as practicable but not later than 15 days after the end of that payroll period.

Section 4.4 Maximum Limitation on Contributions

In no event shall the Employers' contributions to the Trust Fund for any Plan Year exceed the maximum amount allowable as a deduction, including any unused credit carryovers, in computing their taxable income for that year for federal income tax purposes.

Section 4.5 Form of Contributions

Any Employer contribution may be made in cash or partly or wholly in property, including stock of the Company or any subsidiary or affiliated corporation, valued at its fair market value as of the date of contribution.

Section 4.6 Tax Deferred Agreements

- A. Effective 1 September 1987, or the next payroll period, any Eligible Employee may elect to enter into a Tax Deferred Agreement with the Employer. Any such agreement made will become effective commencing with the next practicable payroll period. An Eligible Employee who enters into a Tax Deferred Agreement is referred to as a "Participant." Each such agreement shall provide that the Participant agrees to accept a reduction in Compensation equal to a minimum of not less than 1% nor more than 25%, or such higher percentage established by the Plan Administrator, after agreement by the Parties, as limited by federal regulations, of TDSP eligible earnings, in 1% increments for each payroll period for which the Participant receives Compensation from the Employer for time worked, vacation, holidays, and Profit Sharing. In consideration of such agreement the

APPENDIX "L-1" – ARTICLE IV

Employer shall make Tax Deferred Contributions on behalf of the Participant for each Plan Year equal to the total amount by which the Participant's Compensation from the Employer was reduced during the year pursuant to the Tax Deferred Agreement.

B. Tax Deferred Agreements shall be governed by the following rules:

- (1) Each Tax Deferred Agreement shall be made with the Recordkeeper at such time and in such manner as it prescribes by regulation.
- (2) *Each agreement shall remain in effect until amended or revoked as provided below and shall apply to each payroll period during which it is in effect.*
- (3) A Participant may amend his Tax Deferred Agreement to increase or decrease the deferred percentage on a pay period basis and may revoke his Tax Deferred Agreement at any time. Any such amendment or revocation shall be made with the Recordkeeper and shall become effective with the next practicable pay period following the date the amendment or revocation is received by the Recordkeeper.
- (4) The Employer may amend or revoke its Tax Deferred Agreement with any Participant at any time if the Plan Administrator determines that such amendment *or revocation is necessary to ensure that the actual deferral percentage tests of section 401(k) of the Code are met or to comply with Section 5.4.*
- (5) The Employer may amend or revoke its Tax Deferred Agreements with all Participants on a uniform basis if the Company determines it to be necessary in order to comply with the limitations in Section 4.4.

Section 4.7 Rollover Contributions

- A. A "Rollover Contribution" is a rollover amount or rollover contribution as described in Section 402(c)(4), 403(a)(4) or 408(d)(3) of the Code.

Effective 1 November 2002, the Plan will accept rollover contributions and/or direct rollovers of distributions from the following types of plans:

- (1) qualified plan described in Section 401(a) or 403(a) of the Code, excluding after-tax employee contributions;
- (2) an annuity contract described in Section 403(b) of the Code, excluding after-tax employee contributions.
- (3) an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

- B. An Employee, even though he is not yet eligible to become a Participant, may with the written consent of the Plan Administrator make a Rollover Contribution to the Trust Fund. Any request for such consent shall state the amount of the Rollover Contribution and shall include a statement that the contribution constitutes a Rollover Contribution as defined in this Section. The Plan Administrator may require the Employee to submit such other evidence and documentation as it determines to be necessary to assure that the contribution qualifies as a Rollover Contribution. A Rollover Contribution shall be made only in cash.
- C. Notwithstanding the foregoing provisions of paragraph B, an employee who elects to make a Rollover Contribution of his account under the John Deere Employee Stock Ownership Plan upon termination of that Plan, shall have his account balance in the form of common stock of the Company and cash in his account transferred by the Trustee from the John Deere Employee Stock Ownership

APPENDIX "L-1" – ARTICLE IV

Plan Trust to the Trustee of the Trust established under this Plan and credited thereunder to the account of the employee in the Deere Stock Fund.

- D. An Employee's Rollover Contribution shall be credited to a Rollover Account, which shall be administered and distributed in the same manner and at the same time as a Participant's Tax Deferred Account.
- E. In addition to the Rollover Contribution set forth immediately above, an Employee may, with the written consent of the Plan Administrator, make a Rollover Contribution in the form of a "Direct Rollover" to the Trust Fund. Any request for such consent shall state the amount of the Direct Rollover, and shall include a statement that the Contribution constitutes a Direct Rollover as defined in this Section. The Plan Administrator may require the Employee to submit such other evidence and documentation as it determines to be necessary to assure that the contribution qualifies as a Direct Rollover. A Direct Rollover shall only be made in cash.
- F. An Employee's Direct Rollover shall be credited to a Rollover Account, which shall be administered and distributed in the same manner and at the same time as a Participant's Tax Deferred Account.

Section 4.8 Section 402 Limit on Contributions

- A. In General. In no event shall the Tax Deferred and Profit Sharing Contributions for any calendar year on behalf of a Participant be in excess of \$7,000 (as indexed by the Secretary of the Treasury for tax years beginning after December 31, 1986 to reflect increases in the cost of living). This limit shall be applied by aggregating all plans and arrangements maintained by the Employer and Related Employers that provide for elective deferrals as defined in Section 402(g) of the Code.

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- B. Correction of Excess. Amounts in excess of the limitation of subsection A. (adjusted for gains and losses provided by regulations) shall be paid to the Participant not later than April 15 of the taxable year which follows the taxable year in which the excess amount arises. Contributions which are repaid under this Section shall not be treated as Annual Additions for the purpose of Section 5.4. Contributions which are repaid under this Section shall be taken into account for the purpose of Section 4.9 if they are repaid to a Highly Compensated Employee. Matching contributions related to amounts which are repaid to a Participant shall be forfeited and used as a matching Employer Contribution in the Plan Year in which the repayment is made.
- C. Tax Deferred Contributions which are repaid under this Section shall not be treated as Annual Additions for the purposes of Section 5.4. Contributions which are repaid under this Section shall be taken into account for the purpose of Section 4.9 if they are repaid to a Highly Compensated Employee.
- D. Catch-Up Contributions. No participant shall be permitted to have Tax Deferred Contributions made under this Plan, or any other qualified plan maintained by the Employer during any taxable year, in excess of the dollar limitation contained in Section 402(g) of the Code in effect for such taxable year, except to the extent permitted under this Section 4.8(D) and Section 414(v) of the Code. All employees who are eligible to make elective deferrals under this plan and who have attained age 50 before the close of the calendar year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of, Code Section 414(v). Such catch-up contributions shall not be taken into account for purposes of the provisions of the plan implementing the required limitations of Section 402(g) and 415 of the Code. The plan shall not be treated as failing to satisfy the provisions of the plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b), or 416 of the

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Code, as applicable, by reason of making such catch-up contributions. The provisions of this Section 4.8(D) shall be effective for Plan Years beginning on or after 1 April 2002.

Section 4.9 Section 401(k) Limit on Wage Deferral Contributions

A. In General. Contributions for any Plan Year shall be limited to the extent necessary so that the Actual Deferral Percentage (as defined in subsection B.) for that Plan Year for the group of Highly Compensated Employees who are eligible to participate in the Plan is not more than the greater of—

- (1) the product of 1.25 and the Actual Deferral Percentage for the prior Plan Year for the non-Highly Compensated Employees who are eligible to participate in the Plan, or
- (2) the lesser of—
 - a. the product of two and the Actual Deferral Percentage for the prior Plan Year for the non-Highly Compensated Employees who are eligible to participate in the Plan, or
 - b. the Actual Deferral Percentage for the prior Plan Year for the non-Highly Compensated Employees who are eligible to participate in the Plan plus two percentage points.

If the limitation of this subsection is exceeded or is expected to be exceeded, the excess (or anticipated excess) may be eliminated pursuant to Subsections C. or D.

B. Actual Deferral Percentage. The Actual Deferral Percentage for a specified group of Employees for a Plan Year shall be the average of the ratios (calculated separately for each Employee in such group) of—

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- (1) the amount of the Tax Deferred and Profit Sharing Contributions actually paid over to the Trust on behalf of each such Employee for such Plan Year, to
- (2) the Employee's Compensation for such Plan Year.

Such ratios and the Actual Deferral Percentage shall be calculated to the nearest one-hundredth of one percent. To the extent allowed by Treasury regulations, the Company may elect to calculate the Actual Deferral Percentages by taking into account Employer contributions. If this Plan is combined with another plan which contains a cash or deferred arrangement within the meaning of Section 401(k) of the Code for the purposes of Section 401(a) (4) or 410(b) of the Code, the elective contributions under both plans shall be combined for the purposes of this subsection.

If a Highly Compensated Employee is a participant in two or more plans containing a cash or deferred arrangement within the meaning of Section 401(k) of the Code, for purposes of determining the deferral percentage with respect to such Employee, all cash or deferred arrangements shall be treated as one cash or deferred arrangement.

- C. Reductions During Plan Year. If the Company determines prior to the end of a Plan Year that the limitation of Subsection A. might not be satisfied, the Company may reduce the future Tax Deferred Contributions and Compensation of the Highly Compensated Employees (and the amount of the Compensation reductions) in order of the Actual Deferral Percentages beginning with the highest of such Percentages.
- D. Reductions After End of Plan Year. For a Plan Year that begins after 1996, if the Company determines after the end of a the Plan Year that the limitation of subsection A has not been satisfied, the Plan shall first determine, in the manner described in paragraph (1), the aggregate Tax Deferred Contributions that must be eliminated to satisfy

the limitation of Subsection A then shall allocate and distribute the aggregate excess amount and allocable earnings in the manner described in Paragraphs (2) and (3), and forfeit any related Matching Contributions.

- (1) For the sole purpose of determining the amount of the aggregate excess Tax-Deferred Contributions to be distributed under Paragraph (2) (and not the amount to be distributed to a specific Highly Compensated Employee), the aggregate amount of excess Tax-Deferred Contributions is determined by—
 - a. computing a reduction in the amount of the Tax-Deferred Contributions of the Highly Compensated Employee with the highest Actual Deferral Percentage so that such percentage does not exceed the Actual Deferral Percentage of the Highly Compensated Employee with the next highest Actual Deferral Percentage, or if less, the amount necessary so that the limitation of Subsection A, is satisfied; and
 - b. if the amount of the reduction pursuant to Subparagraph (A) is insufficient to reduce the average Actual Deferral Percentage for the Highly Compensated Employees so that it does not exceed the limitation of Subsection A., then repeating the process described in Subparagraph (A) in descending order of the Actual Deferral Percentages of the Highly Compensated Employees until the average Actual Deferral Percentage for the group of Highly Compensated Employees satisfies the limitation of Subsection A.
- (2) The aggregate excess Tax-Deferred Contributions determined under Paragraph (1) shall be eliminated by—

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- a. Distributing Tax-Deferred Contributions to the Highly Compensated Employee with the highest dollar amount of Tax-Deferred Contributions until it equals the dollar amount of the Tax-Deferred Contributions of the Highly Compensated Employee with the next highest dollar amount Tax-Deferred Contributions, or if less, the aggregate amount of the excess amount determined under Paragraph (1); and
- b. If the distribution described in Subparagraph (A) does not eliminate the excess amount determined under paragraph (1), repeating the foregoing process in descending order of the dollar amounts of the Tax-Deferred Contributions until the aggregate excess amount under paragraph (1) has been distributed.

The amount to be distributed to a Participant shall be reduced by any amounts previously distributed under Section 4.8.

If the distributions required by this paragraph are made, the limitation of Subsection A is satisfied notwithstanding that the average Actual Deferral Percentage of the Highly Compensated Employees recomputed after the distributions may still exceed the limitation of Subsection A.

- (3) The Plan shall distribute the amounts determined under Paragraph (2) to the Participants no later than the last day of the Plan Year following the Plan Year in which the limitation of Subsection A is exceeded, or the Plan may distribute the amounts within 2½ months after such Plan Year if the Company deems it desirable for tax purposes. All distributions shall be adjusted pursuant to IRS regulations to reflect investment gains and losses.

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- E. **Additional Contribution.** If the Company determines that the limitation of Subsection A. has been or may be exceeded, to the extent permitted by regulations of the Internal Revenue Service, the Employer may make an additional contribution on behalf of non-Highly Compensated Employees to satisfy the limitation of Subsection A. Such contribution shall be fully and *immediately nonforfeitable and may not be withdrawn.*

Section 4.10 Section 401(m) Limit on Matching Contributions

- A. **In General.** Matching Contributions for any Plan Year shall be limited to the extent necessary so that the Actual Contribution Percentage (as defined in subsection (b)) for that Plan Year for the group of Highly Compensated Employees who are eligible to participate in the Plan is not more than the greater of—

- (1) the product of 1.25 and the Actual Contribution Percentage for the prior Plan Year for the Non-Highly Compensated Employees who are eligible to participate in the Plan, or

- (2) the lesser of—

- a. the product of two and the Actual Contribution Percentage for the prior Plan Year for the Non-Highly Compensated Employees who are eligible to participate in the Plan, or
- b. the Actual Contribution Percentage for the prior Plan Year for the Non-Highly Compensated Employees who are eligible to participate in the Plan plus two percentage points.

If this Plan is combined with another plan for the purposes of Section 410 (b) of the Code, both plans shall be combined for the purposes of this subsection.

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If the limitation of this subsection is exceeded or is expected to be exceeded, the excess (or the anticipated excess) may be eliminated pursuant to Subsections (c) or (d).

B. Actual Contribution Percentage. The Actual Contribution Percentage for a specified group of Employees for a Plan Year shall be the average of the ratios (calculated separately for each Employee in such group) of—

- (1) the Matching Contributions paid on behalf of each such Employee for such Plan Year, to
- (2) the Employee's Compensation for such Plan Year.

To the extent permitted by Treasury regulations, the Company may elect to take into account Tax Deferred Contributions in calculating the Actual Contribution Percentage.

If a Highly Compensated Employee is a participant in two or more plans containing a cash or deferred arrangement within the meaning of Section 401(k) of the Code, for purposes of determining the contribution percentage with respect to such Employee, all cash or deferred arrangements shall be treated as one cash or deferred arrangement.

C. Reduction of Contributions During Plan Year. Subject to Treasury regulations, if the Company determines prior to the end of a Plan Year that the limitation of subsection (a) might not be satisfied, the Company may reduce the future Matching Contributions made on behalf of the Highly Compensated Employees. Any such reductions shall be made in a manner similar to that described in Section 4.8(c).

D. Reduction of Contributions After End of Plan Year. If the Company determines after the end of a Plan Year that the limitation of Subsection (a) has not been satisfied, the Matching Contributions made on behalf of the Highly

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Compensated Employees shall be reduced in order of the Matching Contributions beginning with the highest of such Contributions and by returning Matching Contributions. Reductions (adjusted for gains and losses) shall be paid to Employees not later than 2½ months following the close of the Plan Year with respect to which the limitation of Subsection (a) is exceeded.

E. Alternative Methods of Correction. If the limitation of Subsection (a) has been or may be exceeded, the Company may elect to either recompute the Actual Contribution Percentage by taking into account Tax Deferred Contributions to the extent permitted by regulations or have the Employer make an additional contribution on behalf of Non-Highly Compensated Employees to satisfy the limitation of Subsection (a). Such contribution shall be credited to the Tax Deferred Account and shall be fully and immediately nonforfeitable and may not be withdrawn.

F. Multiple Use of Alternative Limitation

(1) In General. This Subsection shall be applicable only for Plan Years beginning before 1 January 2002 and (for such years) only if the Actual Deferral Percentage for the group of Highly Compensated Employees exceeds the amount specified in Section 4.11(a)(1) and the Actual Contribution Percentage for such group exceeds the amount in Section 4.121(a)(1). The sum of—

- a. the Actual Deferral Percentage for the group of Highly Compensated Employees who are eligible to participate in the Plan, and
- b. Actual Contribution Percentage for the group of Highly Compensated Employees who are eligible to participate in the Plan, shall not exceed the Aggregate Limitation described in Paragraph (2).

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- (2) **Aggregate Limitation.** The Aggregate Limitation shall be the limit prescribed by the Internal Revenue Service pursuant to Section 401(m)(9) of the Code to prevent the multiple use of the two limitations.
- (3) **Correction of Excess.** If the Aggregate Limitation in paragraph (2) is exceeded, the Actual Contribution Percentages of the Highly Compensated Employees shall be reduced by distributing Matching Contributions. Such distributions (adjusted for gains and losses pursuant to Treasury regulations) shall be paid to Employees not later than 2½ months after the close of the Plan Year with respect to which the Aggregate Limitation is exceeded.

The provisions of this Section 4.10 shall not apply to individuals who are covered under a collective bargaining agreement with the Company.

**ARTICLE V
PARTICIPANTS' ACCOUNTS**

Section 5.1 Accounts

A. The Plan Administrator shall maintain Accounts as follows:

- (1) A Tax Deferred Account for each Participant;
- (2) A non-vested deferral account for each Participant whose Matching Contributions are not yet vested under the vesting requirements in Article VII.
- (3) A vested tax-deferral account for each Participant whose Matching Contributions are vested under the vesting requirements of Article VII.
- (4) An After-Tax Contributions Account for each Participant for whom any Tax Deferred Contributions are recharacterized as After-Tax Contributions, as provided in Internal Revenue Notice 89-32, 1989-1 CB 671; and
- (5) A Rollover Account for each Employee who makes a Rollover Contribution as provided in Section 4.7.
- (6) A Profit Sharing Account for each participant for whom a profit sharing contribution was deferred.

B. Participants' Accounts shall be adjusted at the times and in the order and manner provided below. The maintenance of Participants' Accounts is only for accounting purposes, and segregation of the assets of the Trust Fund to any Account shall not be required.

Section 5.2 Accounting Adjustments

A. As of each Valuation Date the Trustee shall:

- (1) Determine the net fair market value of each Investment Fund;**
- (2) Adjust the Accounts in each Investment Fund so as to reflect the income collected or accrued, realized and unrealized gains and losses, distributions, withdrawals, transfers between Investment Funds, loans to Participants, loan repayments, and**
- (3) Credit the appropriate Account of each Participant with any contributions allocated to the Account as of that date.**

B. The value of each Account in any Fund as of any Valuation Date shall be its share of the value of the Fund as of the preceding Valuation Date as so adjusted. The fair market value of the assets of each Investment Fund as of any Valuation Date shall be determined as of the close of business on that date or, if that date is not a business day, as of the close of business on the last preceding business day.

Section 5.3 Allocation of Contributions

- A. Each week, the Tax Deferred Contributions on behalf of each Participant, in respect to Profit Sharing Contributions and to pay received, for payroll periods ending in that week shall be allocated to his Tax Deferred Account.**
- B. The Employers shall furnish to the Plan Administrator each year a written statement of all facts necessary for the allocation of Employer contributions. The Plan Administrator may rely on such statements without any duty on its part to verify the statements or inquire into their correctness.**

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Section 5.4 Limitation on Allocations to Participants' Accounts

A. Notwithstanding any other provisions of the Plan, the Annual Additions to a Participant's Accounts under the Plan, and all other qualified defined contribution plans of the Employers or Related Employers, for any Plan Year shall not exceed an amount equal to the lesser of:

- (1) \$30,000; or
- (2) 25% of his Compensation (within the meaning of section 415(c)(3) of the Code and the regulations thereunder) from the Employers for that year; or
- (3) Such other amount as may be permitted by the Code and the regulations thereunder.

The limitation hereunder shall be adjusted automatically to take into account increase in the cost of living in accordance with regulations under Section 415(d) of the Code. If the amounts to be allocated to a Participant's Accounts for any Plan Year must be reduced to comply with the foregoing limitations, such reduction shall first be made under this Plan before any adjustment is made under any other defined contribution plan.

B. For purposes of this Section, the "Annual Additions" with respect to a Participant for any Plan Year are the sum of:

- (1) The Tax Deferred Contributions allocated to his Accounts for that year; plus
- (2) Any-Profit Sharing Contribution for that year; plus
- (3) Any allocation for that year to a Participant under the John Deere Employee Stock Ownership Plan or any other plan of the Company to which tax deferred contributions are allocated to a Participant other than a qualified benefit pension plan; plus

- (4) Any Matching Contributions for that year.

The Annual Additions with respect to a Participant do not include a Rollover Contribution.

- C. If the Annual Additions to a Participant's Accounts for any Plan Year would exceed the foregoing limitations, the excess amount shall be treated as follows:

- (1) First, any After-Tax Contributions made by him for that year, together with investment earnings thereon, shall be returned, to the extent that the return would reduce the excess amount; and
- (2) Second, if any excess amount remains, the Tax Deferred Contributions on his behalf for that year shall, to the extent required to eliminate the excess, be held unallocated in a suspense account and allocated as a portion of the Employer contributions for the next Plan Year (and succeeding Plan Years as necessary), and the Employer shall reimburse the Participant for any Tax Deferred Contributions so held.

Section 5.5 Non-Vested Participant Accounts

Following the termination of a Participant's employment, any balance of Matching Contributions in the non-Vested Tax Deferral Account shall be held in suspense for a period of five years. If the Participant becomes re-employed by the Employer during that five-year period, the non-Vested Tax Deferred Account balance shall be reinstated. If the Participant is not re-employed by the Employer within a five-year period, the non-Vested Tax Deferral Account balance, consisting of non-Vested Matching Contributions, shall be allocated as a portion of Employer contributions to the Plan for this Plan Year, or any succeeding Plan Years as appropriate.

Section 5.6 Participant Statements

As soon as practicable, after the end of each quarter of the Calendar Year, the Plan Administrator will provide each Participant with a statement of the balances in his Accounts.

ARTICLE VI INVESTMENT FUNDS

Section 6.1 Trust Fund

All contributions under the Plan are held by the Trustee in the Trust Fund, in which each Participant's share consists of an undivided interest.

Section 6.2 Investment Funds

A. The Trust Fund shall be divided into several Investment Funds, as follows:

- (1) The Deere & Company Common Stock Fund, which shall be invested primarily in Deere & Company common stock. A Participant who exchanges out of the Fund to any other investment option cannot exchange into the Fund for a period of 30 calendar days following the last exchange out.

The Deere & Company Common Stock Fund shall consist of two components. One component of the Deere & Company Common Stock Fund shall be designated and treated as an employee stock ownership plan ("ESOP") within the meaning of Section 4975(e)(7) of the Code. Such component of the Deere & Company Common Stock Fund shall be referred to as the "ESOP component". The second component of the Deere & Company Common Stock Fund shall be referred to as the "non-ESOP component". The non-ESOP component shall not be treated as an ESOP for any purpose. Both components of the Deere & Company Common Stock Fund, as well as the fund as a whole, shall be invested primarily in Deere & Company common stock.

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- (2) Fidelity Spartan U.S. Equity Index Fund, which shall be invested primarily in the common stock of the 500 companies that make up the Standard & Poor's 500 Index.
- (3) Fidelity Retirement Money Market Portfolio, which shall be invested in a broad range of short term money market instruments, from a variety of issuers, that include high quality commercial paper, certificates of deposit, repurchase agreements, and banker's acceptances.
- (4) Blended Interest Fund, which shall be invested primarily in investment contracts issued by insurance companies and banks. These investment contracts are unsecured contractual obligations in which the issuer agrees to pay a specified rate of interest for a fixed period of time and to repay the principal at maturity. Investments in the Fund are blended so that all participants share in the Fund's aggregate return. Investment fees are paid by the Fund.
- (5) Fidelity Puritan Fund, which invests in a broad range of high yielding securities including common stocks, preferred stocks, and bonds.
- (6) Fidelity Magellan Fund, which invests in common stock and securities convertible into common stock, issued by U.S. companies operating domestically and/or abroad as well as foreign companies.
- (7) The Fidelity Overseas Fund, which invests in a diversified portfolio of foreign securities from developed countries outside the United States.
- (8) The Fidelity Intermediate Bond Fund, which invests in higher grade bonds which have an average portfolio maturity of three to ten years.

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- (9) The Fidelity Asset Manager Income Fund which is invested in stocks, bonds, short-term instruments and other investments.
- (10) The Fidelity Asset Manager Fund which is invested in stocks, bonds and short-term fixed-income instruments and is more aggressive than the Asset Manager Income Fund.
- (11) The Fidelity Asset Manager Growth Fund which is invested in stocks, bonds, short-term instruments and other investments, both domestic and foreign and is the most aggressive of the Asset Manager Funds.
- (12) The Fidelity Equity Income Fund which invests in income-producing equity securities and seeks a yield exceeding the Standard & Poor's 500 Index.
- (13) The Fidelity OTC Portfolio Fund which invests in securities traded in the over-the-counter securities market.
- (14) The Fidelity Growth Company Fund which invests primarily in common stocks and convertibles of emerging growth companies.
- (15) The Fidelity Small Cap Independence Fund which invests primarily in companies with market capitalization of 750 million dollars or less at the time of purchase. A short-term redemption fee of 1.50% of the amount redeemed is charged on shares held less than 90 days.
- (16) Fidelity Freedom Funds (2000, 2010, 2020, 2030, 2040 Funds) invest in a combination of Fidelity equity, fixed income, and money market funds and allocate assets according to a strategy that becomes increasingly conservative as the fund approaches its target date.

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(17) The Loan Fund, which shall consist of the unpaid balances of loans made to Participants pursuant to Article VII.

(18) BrokerageLink Funds which will consist of over 3500 mutual funds in the Fidelity Funds Network. Only *Fidelity Investments Mutual Funds and other non-Fidelity Mutual Funds* will be offered through BrokerageLink. With BrokerageLink, however, there is an annual fee that is charged to the Participant and, depending on the mutual funds chosen through BrokerageLink, there may be load fees and transaction fees assessed to the Participant.

B. Notwithstanding the foregoing, the Trustee, in its discretion may invest assets of any Investment Fund in *property other than that specified as the primary type of investment* for that Fund, and may hold any portion of an Investment Fund in cash on an interim basis pending payment of benefits or the making of more permanent investments. The Plan Administrator may in its discretion from time to time change or eliminate any Investment Fund or establish one or more additional Investment Funds consistent with the provisions outlined in the Tax Deferred Savings Plan letter.

Section 6.3 Loan Fund

Loans to Participants and payments of principal and interest on such loans shall be credited and charged to the Loan Fund as described in Section 7.5, Paragraph I.

Section 6.4 Investment Elections

A. Each Participant shall elect that the contributions to his accounts be invested in any one or more of the Investment Funds in such proportions (in whole dollar amounts) as he may determine. A Participant's election shall be effective as of 1 September 1987, or, if later, as of the date as of which he becomes a Participant. Each such election by a Participant shall remain in effect and shall apply to any future contributions on his behalf until changed as provided below.

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- B. The Profit Sharing payment of any Participant is TDSP eligible earnings and shall be deferred and allocated to his accounts in the same proportions as are in effect for his Tax Deferred Contributions.**
- C. A Participant may change allocation of future contributions among funds, on any business day, through the John Deere Savings Plan Service Center at Fidelity Investments or through Fidelity's Net Benefits to be effective with the next contribution after the election is placed.**
- D. A Participant may elect to have any or all cash, shares, or a percentage of assets, with a minimum of \$250, transferred to any one or more of the other Investment Funds on any business day with the exception that no exchange may be made directly from Blended Interest Fund to the Retirement Money Market. Assets must first transfers to an equity fund for 90 days.**
- E. Each election shall be made through the John Deere Savings Plan Service Center at Fidelity, or through Fidelity Net Benefits.**
- F. All contributions made to the Plan under Article IV that are to be invested in Deere & Company Common Stock Fund shall be initially credited to the non-ESOP component. As of the business day immediately preceding the ex-dividend date for the Deere & Company Common Stock Fund, all stock held in the non-ESOP component shall be deemed to be transferred to the ESOP component.**

Section 6.5 Voting Rights

Each Participant shall be entitled to direct the Trustee as to the manner in which shares (including fractional shares) of the Company credited to his Accounts and invested in the Deere & Company Common Stock Fund shall be voted. Such voting rights may be exercised only at such times and in such manner as the Plan Administrator determines by law. For

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voting purposes, fractional shares shall be aggregated into whole shares and voted by the Trustee to the extent possible to reflect the voting directions of the Participants whose Accounts are credited with such fractional shares. In the absence of voting instructions by a Participant, shares of the Company credited to his Accounts shall not be voted.

Section 6.6 Dividend Rights and Election

- A. All dividends paid on the Deere & Company Common Stock held in the Deere & Company Common Stock Fund shall be 100 percent vested. Each Participant with a deemed balance in the ESOP component of the Deere & Company Common Stock Fund, whether an active participant or participant who is no longer active in the Plan shall have the right to elect the dividends to be paid on their shares of Deere & Company Common Stock in the ESOP component to either be in the form of a cash payment made directly to the Participant or his beneficiary within 90 days after the close of the Plan Year in which the dividend is paid to the ESOP Plan or to be reinvested in the ESOP component.
- B. If no dividend election is returned to the Recordkeeper as set forth in Section 6.6 Paragraph (A) above in the time period prescribed by the Plan Administrator, then the election will be treated as having been made to reinvest the dividend in the ESOP component of the Deere & Company Common Stock Fund.

Section 6.7 Company Deduction

As the law in effect at the time permits, the Company will take a deduction for the dividends paid to the ESOP under the terms set forth in Sections 6.6 above.

Section 6.8 Other ESOP Requirements

The ESOP component must also meet the following requirements of Sections 409 and 4975(e)(7) of the Code:

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- A. **Diversification.** Any participant with a balance in the ESOP component must have the right to have a percentage of such balance (that is equal to or greater than the percentages established under Section 401(a)(28) of the Code) diversified. Such diversification shall occur in a way that is equal to or greater than the diversification provisions contained in Section 401(a)(28) of the Code.
- B. **Distribution in Stock.** Any participant with a balance in the ESOP component must have the right to have such balance distributed in Deere & Company Common Stock.
- C. **Stock Bonus Plan.** The ESOP component shall meet the requirements of Section 4975(e)(7)(A) of the Code insofar as that portion of the Plan qualifies as a stock bonus plan under Section 401(a) of the Code.

**ARTICLE VII
VESTING, DISTRIBUTIONS,
WITHDRAWALS, AND LOANS**

Section 7.1 Vesting

- A. Except as provided in Paragraph B below the Accounts of every Participant shall be fully vested and nonforfeitable at all times.
- B. The Matching Contributions contributed to the Accounts of every Participant in the Plan hired on or after 1 October 1997 shall be fully Vested only after the Participant reaches three Years of Service with the Employer. Service during previous periods of Employment shall be included in determining the Vesting requirement. Once the three-year Vesting requirement is fulfilled, the Non-Vested Deferral Account balance shall be transferred to the Vested Deferral Account. All other Accounts for any Participant in the Plan are fully Vested and nonforfeitable at all times.

Section 7.2 Entitlement to Distributions

Following the termination of a Participant's employment, whether by retirement, death or otherwise, he (or his Beneficiary in case of his death) shall be entitled to receive the entire balance in each of his Accounts in accordance with Section 7.3.

Section 7.3 Time and Manner of Distribution

- A. Distribution of the Participant's Accounts will be made by the Plan Trustee per the Participant's election but no earlier than termination of employment, or (1) in case of a Participant's death, the Valuation Date next following receipt by the Plan Trustee of appropriate notification, including receipt by the Company of a certified death certificate, and in any event not later than five years after

his death, or (2) in the case of an Alternate Payee, the Valuation Date following the earlier of the employee's age 50 or separation from service with the Company. For purposes of such distribution, the balances in the Participant's Accounts shall be determined as of that Valuation Date.

- B. Any Participant who separates from active employment status and whose account balance is greater than \$5,000.00 is eligible for any of the following types of distributions after separation from service with the Company in accordance with the following hierarchy absent specific direction by the Participant:

Fidelity Retirement Money Market, Blended Interest Fund, Fidelity Intermediate Bond Fund, Fidelity Freedom Income Fund, Fidelity Asset Manager: Income, Fidelity Freedom 2000 Fund, Fidelity Freedom 2010 Fund, Fidelity Asset Manager, Fidelity Puritan Fund, Fidelity Freedom 2020 Fund, Fidelity Asset Manager: Growth, Fidelity Freedom 2030 Fund, Fidelity Freedom 2040 Fund, Fidelity Equity-Income Fund, Fidelity Spartan U. S. Equity Index, Fidelity Magellan Fund, Fidelity Growth Company Fund, Fidelity OTC Portfolio, Fidelity Small Cap Independence Fund, Fidelity Overseas Fund, Deere & Company Common Stock Fund, and Fidelity BrokerageLink.

- (1) A single lump sum payment where the Participant's entire account balance is distributed in one payment.
- (2) A distribution of a specified dollar amount each month until the Participant's account balance reaches zero.
- (3) A decrementing withdrawal over a specified period of time where the Participant specifies the time period and a proportionate amount of the balance is distributed each month until the time period ends or example, if the time period selected by the participant were ten years, the first month's payment would be the sum resulting from the Participant's

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account balance divided by 120. The second month's payment would be Participant's remaining account balance divided by 119, and so forth for the entire ten year period at which time the account balance would be zero.

- (4) Distributions of unscheduled amounts made at the discretion of the Participant provided such distributions were at a minimum of \$1,000.00 per occurrence until the account balance reached zero. For example, the Participant could choose to take a distribution of \$2,100.00 in June, nothing in July and August and another distribution of \$1,000.00 in September.
 - (5) By 1 April of the year following the year in which the Participant turns 70½ (if the Participant is separated from service), the Participant would have to either take a lump sum distribution equal to the remainder of his account balance or begin systematic withdrawals equal to or greater than the actuarial amount required to be withdrawn by law. If the Participant is already taking systematic withdrawals, Fidelity shall automatically calculate the amount required to be distributed by law and, if the amount being systematically withdrawn is less than that legally required amount, Fidelity would automatically add the amount necessary to make the monthly payment the legally required minimum amount from the Participant's account.
 - (6) Any of the distributions made under this subparagraph B(1) may be made either (a) directly to the Participant, (b) to another qualified plan of the Participant, or (c) to an IRA of the Participant by rollover, at the Participant's discretion.
- C. Except as provided in Paragraph B, distribution of a Participant's Accounts shall in any event be made or commenced not later than 60 days after the close of the Plan Year in which the latest of the following occurs:

- (1) the Participant's attainment of age 65;
 - (2) the 10th anniversary of the date as of which he became a Participant; or
 - (3) the termination of his employment.
- D. If distribution of a Participant's Accounts is made at a time when a contribution due on his behalf under the Plan has not yet been made, an additional distribution shall be made as soon as practicable after the contribution is made.
- E. Distribution of a Participant's Accounts, to the extent invested in the Deere & Company Common Stock Fund, shall be made in whole shares of the Company's common stock and in cash equal to the value of any fractional share in his Accounts plus the amount of any dividends received or accrued for his Accounts but not yet invested in Company stock. However, a Participant may elect that distribution of his Accounts be made wholly in cash.
- Distribution of a Participant's Accounts, to the extent invested in any Investment Fund other than the Deere & Company Common Stock Fund, shall be made in cash.
- F. If, upon a Participant's termination of employment with the Company, the Participant's Account is not greater than \$5,000.00 (or such higher amount as may be permitted by law), distribution shall be made to such Participant in a single sum payment as soon as practicable by the Plan Trustee following the date of the Participant's termination.
- G. Any eligible rollover distribution listed in paragraph (3) below arising under this Plan can be made by means of a direct rollover transfer.
- (1) For years beginning before 1 January 2002 an "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in

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Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a *qualified trust described in 401(a) of the Code*, that accepts the Distributee's eligible rollover distribution. In the case of an eligible rollover distribution to a surviving spouse, an "eligible retirement plan" is an individual retirement account or an individual retirement annuity.

For years beginning on or after 1 January 2002, an "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, a qualified trust described in Section 401(a) of the Code, or an annuity contract described in Section 403(b) of the Code or an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state that accepts the Distributee's eligible rollover distribution.

- (2) A "Distributee" includes an Employee or former Employee. The Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order are also Distributees with regard to the interest of the spouse or former spouse.
- (3) For years beginning before 1 January 2002, an "eligible rollover distribution" is any distribution under Article VII of all or any portion of the balance of the Distributee's Account, except that an eligible rollover distribution does not include:
 - a. any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life

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- expectancy) of the Distributee or the joint lives (or the joint life expectancies) of the Distributee and the Distributee's designated beneficiary;
- b. any distribution that is for a specified period of ten years or more;
- c. any distribution to the extent such distribution is required under Section 401(a) (9) of the Code; and
- d. the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

For years beginning on or after 1 January 2002, an "eligible rollover distribution" is any distribution under Article VII of all or any portion of the balance of the Distributee's Vested account, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or the joint life expectancies) of the Distributee and the Distributee's designated beneficiary; any distribution that is for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and any distribution which is made upon the hardship of the employee.

- H. In addition, the Distributee must furnish to the satisfaction of the Plan Trustee documentation showing that the transferee trust is an approved trust under the respective sections of the Code.

Section 7.4 Withdrawals Before Termination of Employment

- A. **Hardship Withdrawals:** On and after 1 January 2002, but not more frequently than once each year, withdrawals of all or a portion of the Participant's Vested Tax Deferred

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Contributions (other than investment income) before termination of employment will be permitted in the case of one or more of the following events:

- (1) purchase (excluding mortgage payments) of a Participant's principal residence;
- (2) payment of tuition for the next semester or quarter of post-secondary education for the Participant, his spouse or dependents who can be claimed as such on the Participant's federal income tax return for the current year;
- (3) payment of medical expenses which the Participant is obligated to pay and not otherwise payable under any insurance coverage in force for the Participant;
- (4) the need to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage on the principal residence of the Participant;
- (5) any other reason acceptable under published IRS regulations and rulings;

Provided that for any such event the withdrawal is:

- a. necessary to meet immediate and heavy financial needs of the Participant,
- b. for an amount which is required to meet such needs and which is not reasonably available from other resources of the Participant; and further provided that:
- c. an affidavit certifying the above conditions and event(s) exist accompanies the Participant's application for such withdrawal,
- d. the Participant has obtained all non-hardship distributions and non-taxable loans currently available under any and all plans of the Employer that permit such distributions or loans,

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- e. the Participant revokes all Tax Deferred Agreements under this Plan and any other Plan of the Employer for a period of not less than 6 consecutive months (12 consecutive months for withdrawals made before 1 January 2002) following receipt of such withdrawals, and
- f. for years beginning before 1 January 2002, upon making a Tax Deferred election, as provided in Article IV, Section 4.6, after the suspension period, the aggregate deferred amount during the Participant's taxable (calendar) year next following the taxable year in which the withdrawal is effective shall not exceed an amount determined by subtracting the total of the Participant's deferred amount during the year in which the withdrawal hereunder was effective, from the applicable maximum deferred amount permitted under Section 402(g) of the Code for such next following taxable year.

The amount will be withdrawn in the order of the following funds absent specific direction by the Participant: Fidelity Retirement Money Market Portfolio, Blended Interest Fund, Fidelity Intermediate Bond Fund, Fidelity Freedom Income Fund, Fidelity Asset Manager Income, Fidelity Freedom 2000 Fund, Fidelity Freedom 2010 Fund, Fidelity Asset Manager, Fidelity Puritan Fund, Fidelity Freedom 2020 Fund, Fidelity Asset Manager: Growth, Fidelity Freedom 2030 Fund, Fidelity Freedom 2040 Fund, Fidelity Equity-Income Fund, Fidelity Spartan U.S. Equity Index, Fidelity Magellan Fund, Fidelity Growth Company Fund, Fidelity OTC Portfolio, Fidelity Small Cap Independence Fund, Fidelity Overseas Fund, Deere & Company Common Stock Fund, Fidelity BrokerageLink.

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- B.** In addition to withdrawals permitted in (A) above, on or after 1 January 2000 a Participant who has attained age 59½ or more may withdraw any or all Participant contributions, earnings on those contributions, and Vested Company Matching Contributions, prior to the Participant's separation from service. Upon reaching age 59½ or more the Plan's Hardship Withdrawal option is no longer deemed necessary.
- C.** Any such request for a withdrawal can be made on any business day through the John Deere Savings Plan Service Center at Fidelity.
- D.** In the event that federal tax laws should limit or suspend a Participant's rights to make withdrawals under this Section 7.4, the Plan Administrator shall limit or suspend such right in conformance with such laws. However, if the Plan Administrator determines on advice of counsel that it would be reasonable or necessary to obtain a ruling from the IRS in view of such changes in law, then (1) the Company will seek such ruling, adhering as closely as possible to the intent of the Plan and (2) withdrawals shall be allowed only in accordance with federal law and any necessary and favorable IRS ruling. Such ruling request may include other events specified, if any, in the changed law.

Section 7.5 Loans to Eligible Participants

Effective 1 June 1995, the Plan Administrator shall direct the Trustee to grant a loan to a Participant upon the Participant's notification to the Recordkeeper, in such amount and on such terms and conditions as the Plan Administrator determines in a uniform and non-discriminatory manner and in accordance with the following principles:

- A.** Loans may be granted only to those participants who are eligible for a loan. Those eligible participants are (i) Employees on the U.S. payroll who have an account balance that is great enough to qualify (\$2,000 vested

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account balance) under Section 7.5(C) and (ii) parties in interest, as defined in Section 3 (14) of ERISA, who have an account balance that is great enough to qualify under Section 7.5(C).

- B. Such loans shall be made available to all Participants on a reasonably equivalent basis and shall not be made available to Highly Compensated Employees in an amount (stated as a percentage of the Participant's Accounts) greater than the amount made available to other Employees.
- C. A loan to any Participant, when added to the outstanding balance of all other loans to him from the Plan, shall not exceed the lesser of (i) \$50,000 of the participant's vested balance, as reduced by the highest outstanding loan balance within the preceding one-year period or (ii) 50 percent of the vested balances in his Accounts determined as of the date of the loan. No loan shall be made in an amount less than \$1,000.
- D. The rate of interest on any such loan shall be a rate determined from time to time by the Plan Administrator and within requirements of the Department of Labor regulations governing such loans. The Plan Administrator may change the rate of interest at its sole discretion; however, any such change of rate shall apply only to loans granted after any such change. Any rate of interest determined by the Plan Administrator shall be effective for the term of any loan granted.
- E. Effective as soon as practicable, a one-time fee of \$5.00 will be charged to Participants' accounts at the end of the quarter in which the Participant requests a new loan. In addition, a loan maintenance fee of \$2.50 will be charged to Participants' account each quarter in which the Participant has an outstanding loan balance.
- F. A Participant may not have more than one loan outstanding at any one time. Each loan to a Participant shall provide for repayment over a period not to exceed

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five years (ten years in the case of a loan for the purchase of a primary residence) in such installments as are determined by the Plan Administrator.

- G. *Repayment of loans shall be made through weekly payroll deductions from regular after-tax Compensation, until fully repaid, as long as the Participant is in an active pay status. The loan may be prepaid in full, without penalty, by making a single lump sum payment at any time prior to the end of the term of the loan.*
- H. *Loan repayments shall be suspended for any period the Participant is in an inactive status such as when drawing Weekly Indemnity (W.I.), Supplemental Unemployment Benefit (S.U.B.) or Long-term Disability (L.T.D.) payments, or when on Leave of Absence. During an inactive pay status, the Participant may make payments by using loan coupons issued by the Recordkeeper at the time his status becomes inactive. Failure to keep loan payments current may result in a deemed distribution. Repayments shall begin again with the first pay period after the Participant returns to an active pay status, or as soon thereafter as practicable.*
- I. *Each loan to a Participant shall be secured by part of the Vested balances in his Accounts but not to exceed 50 percent of such balances, as determined by the Plan Administrator, together with such additional collateral as the Plan Administrator may require either at the time of the loan or from time to time thereafter. If, at any time when a loan to a Participant is outstanding, any amounts become payable under the Plan to him or his Beneficiary, the Trustee shall on direction of the Plan Administrator apply all or any part of such amounts to the payment of principal and accrued interest on the loan even though neither principal nor interest may then be due.*
- J. *A loan to a Participant shall, for purposes of Section 5.2, be treated as an investment of his Accounts. The amount of each loan to a Participant shall automatically be transferred to the Loan Fund established pursuant to*

Section 6.2 from the other Investment Funds in the following order absent specific direction by the Participant: Fidelity Retirement Money Market, Blended Interest Fund, Fidelity Intermediate Bond Fund, Fidelity Freedom Income Fund, Fidelity Asset Manager: Income, Fidelity Freedom 2000 Fund, Fidelity Freedom 2010 Fund, Fidelity Asset Manager, Fidelity Puritan Fund, Fidelity Freedom 2020 Fund, Fidelity Asset Manager: Growth, Fidelity Freedom 2030 Fund, Fidelity Freedom 2040 Fund, Fidelity Equity-Income Fund, Fidelity Spartan U.S. Equity Index, Fidelity Magellan Fund, Fidelity Growth Company Fund, Fidelity OTC Portfolio, Fidelity Small Cap Independence Fund, Fidelity Overseas Fund, Deere & Company Common Stock Fund, Fidelity BrokerageLink. Amounts of principal and interest paid by a Participant on any loan shall be automatically transferred from the Loan Fund to the other Investment Funds in which his Accounts are invested. Such transfers shall be charged or credited against the other Investment Funds as of such times and in such proportions as the Plan Administrator determines.

- K. A Participant with an outstanding loan at the time of layoff, unpaid leave of absence, retirement or separation from service or while drawing Supplemental Unemployment Benefits (SUB), Weekly Indemnity (W.I.), or Long Term Disability (LTD) will be issued a loan repayment coupon book from the Recordkeeper. The Participant may opt to continue making loan payments by using the coupons and sending the payment to the Recordkeeper. A minimum of one payment must be made each quarter (equal to all payments due for the quarter) in order to keep the loan current. The entire loan must be repaid within five years of the effective date of the loan or the original loan term, whichever is greater. Failure by the Participant to make a quarterly payment or pay the loan off within five years of inception will result in a taxable event. Further, if an eligible Participant elects to take full distribution of his account balance and a loan balance remains, the entire loan balance remaining will be taxable.

Section 7.6 Distribution to Person Under Legal Disability

Notwithstanding Section 7.3, whenever in the Plan Administrator's opinion a person entitled to receive any payment under the Plan is under legal disability or is incapacitated in any way so as to be unable to manage his financial affairs, the Plan Administrator may direct the Trustee to make payment to such person or to his legal representative, a custodian for him under a Uniform Gifts to Minors Act or a relative or friend of such person for his benefit, or the Plan Administrator may direct that payment be applied for the benefit of such person in such manner as the Plan Administrator considers advisable. Any payment in accordance with this Section shall be a complete discharge of any liability therefor.

Section 7.7 Beneficiaries

- A. Each Participant may designate any legal or natural person or persons to receive any benefits payable under the Plan on account of his death. Each designation by a Participant shall be filed with the Plan Administrator on an Appropriate Form and may include successive or contingent Beneficiaries. A Participant, by filing an Appropriate Form with the Plan Administrator, may change his Beneficiary designation at any time and from time to time without the consent of or notice to any person previously designated by him. No Beneficiary designation or change of designation shall be effective unless filed with the Plan Administrator during the Participant's lifetime.
- B. Notwithstanding the foregoing, however, if a Participant *has a surviving spouse, the surviving spouse shall be the Beneficiary unless the spouse consents as provided in Paragraph D to the designation of a Beneficiary other than the surviving spouse, and the designation of a Beneficiary other than the surviving spouse shall be ineffective without such consent.*

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C. If no person has been designated by a Participant (or if all persons so designated die before the Participant or die before complete distribution of his benefits), then the Plan Administrator, shall direct the Trustee to distribute the Participant's benefits (or the balance thereof) to:

- (1) his surviving spouse; or
- (2) if there is no surviving spouse, one or more of his relatives by blood, adoption or marriage as it decides according to the following hierarchy (a) children or grandchildren; (b) parents; (c) siblings; or
- (3) the estate of the Participant or according to the Participant's will.

In no event can the Beneficiary of a deceased Participant designate a Beneficiary.

D. For purposes of this Section 7.7, the consent of a Participant's surviving spouse must be in writing, must acknowledge the effect of the designation and must be witnessed by a notary public. However, such consent shall not be required if the Participant establishes to the satisfaction of the Plan Administrator that such consent cannot be obtained because the spouse cannot be located or because of such other circumstances as the Plan Administrator may prescribe in accordance with regulations of the Secretary of the Treasury.

Section 7.8 Benefits of Persons Who Cannot Be Located

If the Plan Administrator notifies a Participant or a Beneficiary in writing at his last known address that he is entitled to benefits under the Plan and the Participant or Beneficiary fails to claim his benefits within two years after notification, his benefits shall be distributed to one or more of the Participant's or Beneficiary's, as the case may be, relatives by blood, adoption or marriage, as the Plan Administrator decides. If the Plan Administrator determines after reasonable effort that

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no such relatives can be found, the Participant's benefits shall be forfeited and applied against the Employer Contributions for the Plan Year then current (and succeeding Plan Years as necessary). However, if a valid claim is subsequently made by the Participant or his Beneficiary or such a relative, the amount of such forfeited benefits shall be reinstated and distributed in accordance with the provisions of the Plan. Any forfeited benefits so reinstated shall be paid to the Trust Fund by the Employer.

ARTICLE VIII AMENDMENT AND TERMINATION

Section 8.1 Amendment or Modification

Subject to Section 1.6, the Company reserves the right to amend or modify the Plan at any time by action of its Board of Directors or to the extent so authorized by resolution of its Board of Directors, the Deere & Company Compensation Committee, except that no amendment or modification shall divest a Participant of any amount that he would have received had he resigned from the employ of the Employers immediately before the effective date of the amendment. The procedure for amendment or modification of the Plan by either the Board of Directors or the Deere & Company Compensation Committee, as the case may be, shall consist of: the lawful adoption of a written amendment or modification to the Plan by majority vote at a validly held meeting or by unanimous written consent, followed by the filing of such duly adopted amendment or modification by the Secretary with the official records of the Company.

The Deere & Company Compensation Committee shall process all amendments or modifications that:

- A. In the Compensation Committee's judgment are procedural, technical or administrative, but do not result in changes in the control and management of the Plan assets; or
- B. In the Compensation Committee's judgment are necessary or advisable to comply with any changes in the laws or regulations applicable to the Plan; or
- C. In the Compensation Committee's judgment are necessary or advisable to implement provisions conforming to a collective bargaining agreement which has been approved by the Board of Directors; or
- D. In the Compensation Committee's judgment will not result in changes to benefit levels exceeding \$5 million dollars during the first full fiscal year that such changes are effective for the Plan; or

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- E. Are the subject of a specific delegation of authority from the Board of Directors.**

All other amendments or modifications to the Plan will be processed by either the Board of Directors of Deere & Company or the Pension Plan Oversight Committee.

Section 8.2 Suspension or Termination

- A. While the Company expects to continue the Plan, it reserves the right, by action of its Board of Directors, to suspend or terminate the Plan at any time in its entirety or with respect to any Employer or any division. The Plan will terminate on the earliest of the following dates:**

- (1) The date the Company is judicially declared bankrupt or insolvent;**
- (2) The date the Company permanently discontinues its contributions under the Plan; or**
- (3) The date the Company is dissolved, merged, consolidated or reorganized, or sells all or substantially all of its assets, except that, subject to Section 8.3, provision may be made by the successor or purchaser for continuing the Plan and in that event the successor or purchaser shall be substituted for the Company under the Plan.**

- B. The Plan will terminate with respect to any Employer or division of an Employer on the date the Employer withdraws from the Plan or permanently discontinues contributions with respect to that division or sells all or substantially all of its assets or the assets of that division, except that, subject to Section 8.3, provision may be made for substituting another qualified plan, in which event the Company may cause the assets under the Plan with respect to the purchased Employer or division to be transferred to the funding agency under the substituted plan, provided that the Internal Revenue Service has**

determined that the substituted plan meets the requirements for a qualified plan under the Code or the Plan Administrator is otherwise satisfied that the substituted plan meets those requirements.

Section 8.3 Merger or Consolidation of Plan or Transfer of Plan Assets

In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, provisions shall be made so that each Participant in the Plan on the date thereof would (if the Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated).

Section 8.4 Distribution on Termination or Partial Termination

As of the date of termination or partial termination of the Plan, the net fair market value of the Trust Fund shall be determined and all adjustments shall be made in accordance with Section 5.2 as if that date were a Valuation Date. Upon the termination or partial termination of the Plan or upon the complete discontinuance of contributions under the Plan, the rights of each affected Participant to the amounts credited to his Accounts shall be fully vested and nonforfeitable (subject to adjustment to take account of investment results). If, on termination of the Plan, a Participant remains an Employee, the amount of his benefits shall be retained in the Trust Fund and shall be paid to him in accordance with Article VII. The benefits payable to a Participant whose employment is terminated coincident with the termination of the Plan (and the benefits payable to an affected Participant on partial termination of the Plan) shall be paid to him in a lump sum. The provisions of Article V shall continue to apply until the benefits of all affected Participants have been distributed to them.

ARTICLE IX PLAN ADMINISTRATION

Section 9.1 Rights, Powers, and Duties

The Plan Administrator shall have the rights and duties of a plan administrator under the Code and ERISA and the authority to control and manage the operation and administration of the Plan. Without limiting the foregoing, it shall have the following powers, rights and duties:

- A. To interpret the provisions of the Plan.
- B. To adopt such regulations as are consistent with the provisions of the Plan and as it deems necessary and proper.
- C. To determine all question relating to the eligibility, benefits and other rights of Employees, Participants and Beneficiaries under the Plan.
- D. To designate other persons to carry out any of its responsibilities as Plan Administrator.
- E. To employ persons to render advice with regard to any responsibility of the Plan Administrator under the Plan.
- F. To maintain adequate records concerning the Plan and concerning its decisions and acts in such form and detail as the Plan Administrator may decide, and to make such arrangements with any corporate Trustee or custodian or insurance company as the Plan Administrator shall consider desirable for the maintenance of Participants' Accounts and the preparation of statements of their Accounts as provided in the Plan.

Section 9.2 Application of Rules

In operating and administering the Plan, the Plan Administrator shall apply all regulations adopted by it in a uniform and nondiscriminatory manner.

Section 9.3 Exercise of Plan Administrator's Duties

The Plan Administrator shall discharge its duties hereunder solely in the interests of the Plan Participants and their Beneficiaries, and:

- A. For the exclusive purpose of:
 - (1) providing benefits to Participants and their Beneficiaries; and
 - (2) defraying reasonable expenses of administering the Plan; and
- B. With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Section 9.4 Claims and Review of Denial of Claims

- A. If a Participant or other person believes that he is entitled to benefits under the Plan, he may file a claim for benefits in writing with the Plan Administrator. If a claim for benefits is wholly or partially denied, the Plan Administrator shall give the claimant written notice of the denial within a reasonable period of time after receipt of the claim by the Plan Administrator. Such notice shall set forth (1) the specific reason or reasons for the denial, (2) specific references to pertinent provisions of the Plan on which the denial is based, (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary, and (4) appropriate information as to the steps to be taken if the claimant wishes to submit his claim for review.
- B. A claimant whose claim is denied, or his duly authorized representative, may request a review upon written application to the Plan Administrator within 60 days after receiving written notification of the denial. In connection

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with such request, the claimant or his authorized representative may review pertinent documents and may submit issues and comments in writing. If such a request is made, the Plan Administrator shall make a full and fair review of the denial of the claim and shall make a decision not later than 60 days after receipt of the request, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request. *The decision on review shall be in writing and shall include specific reasons for the decision and specific references to the pertinent provisions of the Plan on which the decision is based.*

Section 9.5 Qualified Domestic Relations Orders

- A. Notwithstanding Section 11.1 or anything else in the Plan to the contrary, the Plan Administrator may direct the Trustee to comply with a qualified domestic relations order.
- B. A "domestic relations order" is a judgment, decree or order (including approval of a property settlement agreement) made pursuant to a state domestic relations law (including a community property law) which relates to the provision of child support, alimony payments or marital property rights of a spouse, former spouse, child or other dependent of a Participant ("alternate payee").
- C. A "Qualified domestic relations order" is a domestic relations order which:
 - (1) creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable to a Participant under the Plan;
 - (2) clearly specifies (a) the name and last known mailing address (if any) of the Participant and the name and mailing address or each alternate payee covered by the order, (b) the amount or percentage of the

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Participant's benefits to be paid by the Plan to any alternate payee, or the manner in which such amount or percentage is to be determined, (c) the number of payments or the period to which the order applies and (d) each plan to which the order applies; and

- (3) does not require the Plan to (a) provide any type or form of benefit, or any option, not otherwise provided under the Plan, (b) provide increased benefits, or (c) pay benefits to an alternate payee that are required to be paid to another alternate payee under a previous qualified domestic relations order.

- D. After receipt of a domestic relations order, the Plan Administrator shall (1) promptly notify the affected Participant and any alternate payee of the receipt of such order and the Plan Administrator's procedure for determining the qualified status of a domestic relations order, and (2) within a reasonable period after receipt shall determine whether the order is a qualified domestic relations order and notify the Participant and each alternate payee of such determination.
- E. Distributions under a qualified domestic relations order will normally be made at any time following the earlier of: (1) the date the participant is entitled to a distribution under the Plan, or (2) the later of the date the participant attains age 50 or the earliest date the participant could begin receiving benefits under the Plan if the participant separated from service.
- F. The Plan Administrator shall establish a procedure to determine the qualified status of domestic relations orders and to administer Plan distributions in accordance with qualified domestic relations orders. Such procedure shall be in writing, shall include a provision specifying the notification requirements enumerated in the preceding paragraph, shall permit an alternate payee to designate a representative for receipt of communications from the Plan Administrator and shall include such other provisions as the Plan Administrator determines, consistent with sections 401(a)(13) and 414(p) of the Code and regulations thereunder.

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- G. During any period in which the issue of the qualified status of a domestic relations order is being determined (by the Plan Administrator, a court of competent jurisdiction or otherwise), the Trustee shall, upon the direction of the Plan Administrator, segregate in a separate account under the Plan the amount, if any, which would have been payable to the alternate payee during such period if the order had been determined to be a qualified domestic relations order.

**ARTICLE X
ADOPTION BY SUBSIDIARIES**

Section 10.1 Adoption by Subsidiaries

- A. Any subsidiary or affiliate of the Company may adopt the Plan by instrument to that effect, and thereafter, if such adoption is consented to by the Company, such subsidiary or affiliate shall be treated as an Employer under the Plan.
- B. If an adopting subsidiary or affiliate which is participating in this Plan subsequently determines that it no longer wants to participate in this Plan or have its employees participate in this Plan, that subsidiary or affiliate must request permission from Deere & Company to withdraw from participating in this Plan. If the Company grants such permission, such subsidiary or affiliate will immediately thereafter cease to participate in this Plan and its employees will cease to be participants in this Plan unless and until such subsidiary or affiliate thereafter requests permission to again participate in this Plan.
- C. In order for a subsidiary or affiliate of the Company to participate in this Plan, Deere & Company must own, directly or indirectly, at least 80 percent of the outstanding stock of such subsidiary or affiliate.

If during its affiliation with the Plan, a subsidiary or an affiliate's ownership by the Company falls below the 80 percent required level, such subsidiary or affiliate is automatically dropped from participation in this Plan.

Section 10.2 Delegation of Authority

Each such adopting subsidiary or affiliate hereby irrevocably grants to the Company full and exclusive authority to exercise all of the powers conferred on the Company by the terms of the Plan and to take or refrain from taking any and all action which the subsidiary or affiliate might otherwise take or refrain from taking with respect to the Plan, including the exclusive power to amend or terminate the Plan and to exercise, enforce or waive any rights whatsoever which the subsidiary or affiliate might otherwise have with respect to the Plan, and each subsidiary or affiliate, by adopting the Plan, irrevocably appoints the Company as its agent for these purposes.

ARTICLE XI MISCELLANEOUS

Section 11.1 Benefits May Not Be Assigned or Alienated

The benefits payable to any person under the Plan are not subject to his debts or other obligations and may not be voluntarily or involuntarily assigned or alienated, except as security for a loan from the Trust Fund in accordance with Article VII. However, the foregoing sentence shall not preclude the Trustee from complying with a qualified domestic relations order described in Section 414(p) of the Code.

Section 11.2 No Guarantee of Benefits

The benefits provided under the Plan shall be paid solely from the assets of the Trust Fund. Nothing contained in the Plan or the Trust Agreement shall constitute a guarantee by any Employer or the Trustee as to the value of any Investment Fund or of any Participant's interest therein, and each Participant assumes all risk relating to the value of his interest in any Investment Fund.

Section 11.3 No Guarantee of Employment

Participation in the Plan will not give any employee of the Company any right to be retained in the service of any Employer nor any right to claim any benefit under the Plan unless such right or claim has specifically accrued under the terms of the Plan.

Section 11.4 Governing Laws

The Plan shall be construed and administered according to the laws of Illinois to the extent that such laws are not preempted by the laws of the United States.

Section 11.5 Top-Heavy Plan Provisions

Notwithstanding any other provisions of the Plan, the following provisions shall become effective for any Plan Year for which the Plan is determined to be a top-heavy plan:

APPENDIX "L-1" – ARTICLE XI

- A. Determination of Top-Heavy Status. The Plan will be considered a top-heavy plan for any Plan Year if as of the determination date (1) the sum of the Accounts of Eligible Employees who are key employees exceeds 60% of the sum of the Accounts of all Eligible Employees or (2) the Plan is part of a required aggregation group and the required aggregation group is top-heavy. However, the Plan shall not be considered a top-heavy plan for any Plan Year in which the Plan is a part of a required or permissive aggregation group which is not top-heavy.
- B. Minimum Allocations. For any Plan Year for which the Plan is a top-heavy plan, the Tax Deferred Contribution allocated to the Accounts of every Eligible Employee who is a non-key employee shall be a percentage of his compensation not less than the lesser of (1) 3% or (2) the ratio of the sum of such contributions for that year to the compensation (not to exceed \$200,000, adjusted for increases in the cost of living in accordance with regulations under section 416(d)(2) of the Code) of the key employee for whom such ratio is the largest. An Eligible Employee who fails to complete 1,000 Hours of Service during the Plan Year shall nevertheless be entitled to the minimum allocation provided for by this Paragraph B. This minimum allocation shall not be forfeitable due to any withdrawals.
- C. Definitions, etc. For purposes of this section:
- (1) The term "key employee" has the meaning assigned to it by section 416(i)(1) of the Code. A "non-key employee" is any Employee who is not a key employee.
 - (2) The term "determination date" means, with respect to any Plan Year, (a) the last day of the preceding Plan Year, or (b), in the case of the first Plan Year of the Plan, the last day of such Plan Year.
 - (3) The term "required aggregation group" includes (a) each qualified plan of the Company in which at least one key employee participates, and (b) any other qualified plan of the Company which enables a plan

APPENDIX "L-1" – ARTICLE XI

described in clause (a) to meet the requirements of section 401(a)(4) or 410 of the Code.

- (4) The term "permissive aggregation group" includes the required aggregation group of plans and any other plan or plans of the Company which, when *considered as a group with the required aggregation group*, would continue to satisfy the requirements of sections 401(a)(4) and 410 of the Code.
- (5) The term "compensation" has the meaning assigned to it in Section 5.4 A.
- (6) The term "Company" includes any Related Employer.
- (7) If more than one plan is to be aggregated, the determination whether the plans are top-heavy shall be made by aggregating the Accounts under all defined contribution plans and the present values of the accrued benefits under all defined benefit plans, determined separately for each plan as of the determination date for each plan that falls within the same calendar year.
- (8) In determining the amount of the Accounts of any Eligible Employee:
 - a. for Plan Years beginning before 1 January 2002, such amount shall be increased by the aggregate distributions made with respect to him under the Plan during the 5-year period ending on the determination date; and
 - b. for Plan Years beginning on or after 1 January 2002, such amount shall be increased by the aggregate distributions made with respect to him under the Plan during the 1-year period ending on the determination date (five years, in the case of a distribution made for a reason other than separation from service, death or disability); and
 - c. any rollover contribution or plan-to-plan transfer derived from the plan of a non-Related Employer shall be excluded.

ARTICLE XII COMPANY CONTRIBUTIONS FOR EMPLOYEES

Section 12.1 Background

The Company has agreed to extend a Company Match provision to wage employees of the Company and any of its subsidiaries who have adopted the Plan hired on or after 1 October 1997 who are covered by this Agreement and have at least one year of credited service.

Section 12.2 Matching Contributions

Beginning with the first complete payroll period after the effective date of this Agreement, and each successive payroll period thereafter, the Employer shall contribute a "Matching Contribution" to the Plan on behalf of each Participant who has entered into a Tax Deferred Agreement for the respective payroll period. The Matching Contribution shall be equal to 25 percent (\$.25 cents for each dollar) of the Wage Deferral Contributions (up to 6 percent of Compensation) made on behalf of each Participant for the respective payroll period.

Section 12.3 Employer Payment of Authorized and Matching Contributions

The Tax Deferred Contributions and the Matching Contributions for any payroll period shall be paid to the Trust Fund as soon as practicable after the end of that respective payroll period and not later than 15 days following the end of each respective payroll period.

Section 12.4 Maximum Limit on Employer's Contributions

In no event shall the Employer's contributions to the Trust Fund for any Plan Year exceed the maximum amount allowable as a deduction, including any unused credit carryovers, in computing the taxable income for that year for Federal income tax purposes.

Section 12.5 Form of Contributions

Any Employer contribution may be made in cash or partly or wholly in property, including stock of the Company or any subsidiary or any affiliated corporation, valued at its fair market value as of the date of the contribution.

Section 12.6 Other Provisions of Article IV of the Plan

All of the other provisions of Article IV of the John Deere Tax Deferred Savings Plan for Wage Employees shall apply to this Amendment.

Section 12.7 Vesting

The Matching Contributions contributed to the Accounts of every Participant in the Plan shall be fully vested only after the Participant reaches three years of service with the Employer. Service during previous periods of Employment shall be included in determining the Vesting requirement. Once the three-year Vesting requirement is fulfilled, the Non-Vested Wage Deferral Account balance shall be transferred to the Vested Wage Deferral Account.



JOHN DEERE

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Kenneth C. Huhn, Vice President
Industrial Relations

(POSSIBLE HEALTH CARE LEGISLATION)

1 October 2003

Mr. Calvin T. Rapson
Vice President and Director
Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214

This confirms our understanding that if, during the term of the current Collective Bargaining Agreement, any health care legislation is enacted or amended to provide hospital, surgical, medical, prescription drug, or dental benefits for employees, retired employees or surviving spouses, or vision care benefits for employees, which duplicate or may be integrated with the benefits under the Health Benefit Plan, then, in such event, the benefits under the Health Benefit Plan will be modified so as to integrate or eliminate the duplication of such benefits with the benefits provided by such legislation.

In the event health care legislation is enacted, the Company will meet with the Union to discuss the changes and their impact on APPENDIX "B" THE HEALTH BENEFIT PLAN FOR WAGE EMPLOYEES ("Plan"). Moreover, the Company commits that if the Plan is revised pursuant to this Letter, employees and their eligible dependents will not experience a reduction in benefits or an increase in deductibles, co-payments or coinsurance as provided under the Plan. The Company also agrees to reimburse employees for any premiums resulting from such legislation to the extent the legislation impacts Plan benefits.

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This understanding is conditioned on the Company obtaining and maintaining such governmental approvals as may be required to permit the integration of the benefits provided under the Health Benefit Plan with the benefits provided by any such law.

Kenneth C. Huhn

LETTERS



JOHN DEERE

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Kenneth C. Huhn, Vice President
Industrial Relations

(DEFENSE AGAINST EXCESSIVE DENTAL CHARGES)

1 October 2003

Mr. Calvin T. Rapson
Vice President and Director
Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214

This is to confirm our understanding that the Company has committed itself to pay reasonable and customary charges made by dentists under the Company's Health Benefit Plan even though such a claim might be initially questioned by the insurance company but later affirmed by a Dental Society or a Court of Law.

It is also our intention to support any employee's resistance to paying a claim which we feel is not reasonable and customary as far as legal costs are concerned in connection with such resistance.

We will not assume any responsibility for a voluntary payment of a charge or for any agreement the employee may have with the dentist concerning his charge if it is in excess of reasonable and customary.

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In order for the Company to be able to effectively carry out this commitment, it will be necessary for employees to handle the payment of these claims by signing the AUTHORIZATION TO PAY portion of the appropriate claim form. Employees will be instructed when they ask for claim forms to sign the AUTHORIZATION TO PAY. In the event of such authorization, payment of the claim will be made directly to the dentist so that it will be possible for us to see that our commitment contained in this letter is properly carried out. The AUTHORIZATION TO PAY does not constitute an "assignment or alienation" and does not transfer to the dentist any enforceable right in, or to, any plan payment or portion thereof (except to the extent of payments actually received pursuant to the terms of the AUTHORIZATION TO PAY).

Kenneth C. Huhn

LETTERS



JOHN DEERE

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Kenneth C. Huhn, Vice President
Industrial Relations

(JOINT COMMITTEE ON HEALTH CARE)

1 October 2003

Mr. Calvin T. Rapson
Vice President and Director
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International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214

During negotiations for the current Collective Bargaining Agreement, the Company and Union discussed establishing a Joint Committee on Health Care to review possible cost containment and quality assurance measures and alternate delivery systems that are of mutual interest. Either party may present issues and matters of concern to the committee. The committee shall determine whether such issues and concerns are of common interest and if so shall seek a satisfactory solution. The parties agreed that a Joint Committee on Health Care would be formed to review the following:

1. *Alternate delivery systems such as capitated dental plans.*
2. The letters on WORK THERAPY and WORK HARDENING.
3. Topics of a cost containment or a quality assurance nature.
4. The experience as a result of the implementation of the Prescription Drug Program.

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5. Experimental surgical procedures. As a guide the reports of the Clinical Efficacy Assessment Project of the American College of Physicians and the Diagnostic and Therapeutic Assessment from the Council on Scientific Affairs of the American Medical Association will be used to determine whether a surgical procedure is a generally accepted surgical operation.
6. Any situation involving provider exclusions.
7. Improvements in managing care outside of John Deere Healthplan service areas to better accommodate part-time residents.
8. The quality, cost effective network(s) that the Company will establish and maintain in accordance with the Letter on PROVIDER NETWORK(S).
9. Decisions of the pharmacy formulary committee in accordance with the Letter on INDEPENDENT REVIEW COMMITTEE FOR PRESCRIPTION DRUGS.
10. Improvements in the delivery of the Mental Health and Substance Abuse benefit through United Behavioral Health (UBH) and/or other managed care organizations.

The committee shall consist of three representatives designated by the Company and three representatives designated by the Union.

Kenneth C. Huhn

LETTERS



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Kenneth C. Huhn, Vice President
Industrial Relations

(NATIONAL HEALTH)

1 October 2003

Mr. Calvin T. Rapson
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International Union, UAW
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During the course of negotiations for the current Collective Bargaining Agreement, the Company and the Union discussed the major problems in dealing with the cost, access and quality of care components existing within the current health care delivery system. The Company and the Union share a serious concern about the high cost and open-ended financing of the health care system and the large number of uninsured Americans.

Both John Deere and the Union share the common objective for a high quality health care delivery system within our nation that is accessible to all and which functions in a cost effective manner. In this regard, John Deere and the Union jointly agree to support approaches directed towards achieving prompt and lasting national policy solutions, which will assure high quality care to all individuals. Such approaches should include strong cost containment, equitable financing and appropriate quality assurance mechanisms.

Kenneth C. Huhn



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Kenneth C. Huhn, Vice President
Industrial Relations

(WORK HARDENING)

1 October 2003

**Mr. Calvin T. Rapson
Vice President and Director
Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
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During the course of negotiations, the parties discussed the concept of work hardening. It was agreed that work hardening may in certain situations be a desirable means to assist in the rehabilitation process and to promote the return of an employee to active employment.

Candidates for work hardening may be referred through the Company Medical Department for participation in an approved work hardening program paid for by the Company. After evaluation of the employee's condition, the Company Medical Department will determine whether work hardening is appropriate, and if so, the program to be followed and its duration. The employee's progress will be monitored during this rehabilitation period. In appropriate cases, treatment may include light duty assignments or part-time work. Services provided for work hardening will be paid under the outpatient physical therapy provisions of the Health Benefit Plan.

LETTERS

Mr. Calvin T. Rapson
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The Joint Committee on Health Care will meet as soon as possible after these negotiations to discuss this Program and the procedures to implement its provisions such as the method of pay for employees in the program and their hours of work and benefit levels.

Kenneth C. Huhn



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Industrial Relations

(SOCIAL SECURITY DEDUCTIONS)

1 October 2003

Mr. Calvin T. Rapson
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8000 East Jefferson Avenue
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During negotiations for the current Collective Bargaining Agreement, the Company and Union discussed guidelines for implementing the reduction of Weekly Indemnity (and Long-term Disability) benefits by Social Security Disability Insurance Benefits (DIB). The following guidelines will be used by the Company:

1. As early as the thirteenth week of disability, depending upon the initial prognosis on the claim, an employee will be advised to apply for Social Security Disability Insurance Benefits (DIB). The employee will be advised that effective with the payment for the twenty-sixth week of disability, Weekly Indemnity (and Long-Term Disability) benefit computations may presume eligibility for DIB. The employee will be advised that if his physician anticipates that the employee's disability will not extend beyond twelve months, his physician should complete a statement indicating such a prognosis. Where such a statement is provided, a reduction of Weekly Indemnity (or Long-Term Disability) benefits, based on presumed eligibility for DIB,

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will not be instituted in the twenty-sixth week of disability. If during the ensuing period of disability it becomes apparent that either a) through deterioration of the employee's condition, or b) a prolongation of the recovery period, that he will not return to work for a prolonged period, he will be requested to file for DIB.

2. Upon receipt of an initial determination of disallowance of DIB, the employee will be advised to file a request for reconsideration. Failure to request such reconsideration may result in the suspension of an amount of Weekly Indemnity (or Long-Term Disability) benefit payments equal to the presumed amount of DIB until the employee provides satisfactory proof that such request has been filed.
3. Upon receipt of a reconsideration determination of disallowance, the employee will be encouraged to file for a hearing before an administrative law judge of the Social Security Administration.
4. In the event of a reconsideration determination denying DIB, and provided any subsequent review does not reverse such decision, the employee will not be required to repay any Weekly Indemnity (or Long-Term Disability) benefits otherwise payable, unless such denial of DIB resulted from the employee's refusal to accept vocational rehabilitation. Where such denial occurs, the employee is obligated to repay Weekly Indemnity (and Long-Term Disability) benefits in an amount equal to the amount of DIB to which he would otherwise have been entitled for the same period or periods of disability.
5. Upon receipt of a notice of award of DIB, any overpayment of Weekly Indemnity (or Long-Term Disability) benefits caused by the retroactive award of DIB is to be repaid. The amount of overpayment will be based on the actual amount of such award.

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Mr. Calvin T. Rapson

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6. In the event of a DIB award resulting from a reconsideration or hearing before an administrative law judge and if the employee was represented by his own attorney, then the amount of Weekly Indemnity (and Long-Term Disability) benefits overpayment will be reduced by an amount equal to any attorney fees associated with the award, provided that a) the employee makes such repayment within 30 days of the date the employee is notified of the amount to be repaid, and b) such reduction applies only to attorney fees associated with a successful appeal of a denial of DIB and includes only that portion of the attorney's fee associated with the period of time the employee was entitled to receive Weekly Indemnity (and Long-Term Disability) benefits, and c) such reduction for such attorney fees may not exceed 25 percent of the overpayment. Attorney fees for services prior to denial of the initial application for DIB will not reduce the amount of overpayment.

The Company may, with the employee's approval, represent the employee in an appeal. In this case the award will be endorsed to the Company to be applied toward the cost of overpayment of benefits and the cost of representing the employee. Any remaining money will be paid to the employee.

7. In applying the provisions of Paragraph 6 above, benefit overpayments under the John Deere Pension Plan for Wage Employees will be included when determining the credit for attorney fees. However, any allowance against pension benefits will be payable from the assets of the John Deere unit rather than the John Deere Pension Trust.

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Page Four

8. An employee age 65 or older may be entitled to Old-Age Benefits as early as the first day of total disability. No reduction of Weekly Indemnity benefits shall be made until the employee provides evidence that he is receiving Old-Age Benefits. If requested, such evidence shall be provided by such employee.
9. In the event an employee receives an initial determination of disallowance of DIB, all amounts of Weekly Indemnity benefits withheld will be paid to the employee unless the employee was denied DIB for failure to accept vocational rehabilitation or for not filing for DIB within the period of time specified by the Social Security Administration as necessary for DIB to commence at the first of the sixth month of disability.
10. As part of the procedures for administering the DIB, the Company may require the employee to complete a reimbursement agreement and authorization form allowing the Social Security Administration to advise the Company of its determination.

Kenneth C. Huhn



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Kenneth C. Huhn, Vice President
Industrial Relations

(WORK THERAPY)

1 October 2003

Mr. Calvin T. Rapson
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8000 East Jefferson Avenue
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During negotiations for the current Agreement, the parties discussed the problem of the lack of any meaningful rehabilitation system in the communities in which Deere operates manufacturing facilities. This is a problem in which both the Company and the Union have a substantial interest. The problem has created social and economic conditions which are not in the best interests of the employee, the Union, or the Company. First, an employee who remains unrehabilitated is not only unable to return to work, but in all likelihood is unable to resume the enjoyment of social pursuits outside his employment. Second, an employee who remains away from work beyond expected normal healing and recovery periods creates an unnecessary financial drain on benefit programs negotiated for the employee group at large; and because of extended absence, creates disruption in efficient factory operations.

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In an attempt to address this problem, the Union and the Company agreed to work toward the establishment of a pilot Work Therapy Program in the Quad Cities. Such a program would provide the services of qualified physical and occupational therapists, and nurses, and would have available the services of physicians. The program would contain the traditional physical and occupational therapy equipment and would also include appropriate rest facilities for those employees who require periodic rest while engaged in work therapy.

The parties also discussed the necessity of involvement of the Quad City medical community in support of the aims of the program including items such as a health education program and physician referrals to the program.

Both the Company and the Union recognize that the establishment of a Work Therapy Program is a unique approach to a common problem. The parties agreed to establish a joint committee to mutually develop the details for the development of a successful Work Therapy Program during the term of this Agreement, and such committee shall be under the jurisdiction of the Joint Committee on Health Care.

Kenneth C. Huhn



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*Kenneth C. Huhn, Vice President
Industrial Relations*

(CONTINUED RECOGNITION OF THE UAW)

1 October 2003

Mr. Calvin T. Rapson
Vice President and Director
Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214

During the course of negotiations, the parties discussed the representation of employees in a factory covered by Article I Recognition of the Agreement which is subject to a factory closing as defined in Appendix "F" of the Agreement and then subsequently reopened.

The Company agrees that if manufacturing operations involving work currently being performed by UAW represented employees at a Deere & Company factory are resumed by the Company in any such factory within five years of the date of notice referred to in Appendix "F" of the Agreement, the UAW will be recognized as the bargaining agent for employees in the "production and maintenance" unit within such factory. The parties also agree that such recognition shall not be inconsistent with any laws or regulations then in effect.

Kenneth C. Huhn

LETTERS



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Kenneth C. Huhn, Vice President
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(FACTORY CLOSING SERVICES OFFICE)

1 October 2003

Mr. Calvin T. Rapson
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8000 East Jefferson Avenue
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This letter is intended to amplify the services provided by the Factory Closing Services Office contained in Appendix "F". An employee shall be given an opportunity to avail himself of any or all of the following benefits:

- A. Counseling by the Company about retirement, insurance and related benefits plan entitlements.
- B. Vocational counseling by the Company or an organization selected by the Company which provides such services.
- C. Training and assistance in the preparation of a resume suitable for distribution to prospective employers; such assistance shall include a listing of the jobs and/or work experience that the employee has had with the Company.
- D. Outplacement assistance, in which the Company will contact the appropriate public employment service, private employment agencies, and area employers in search of employment opportunities for eligible employees; such assistance may include:

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Mr. Calvin T. Rapson

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- (1) the distribution of a list of employees showing their job and/or work experiences and the date their services will be available to interested agencies, area employers, or organizations with a request that the employees be given employment consideration;
 - (2) arrangements for recruiting and interviews by area employers, including formal job fairs (as warranted by external placement opportunities and interest among area employers), consistent with plant operation requirements and efficiency considerations; or
 - (3) solicitation of lists of job opportunities from area employers with posting or distribution of copies of these lists to interested employees.
- E. The employee will be made aware of the Company's tuition aid program which will enable the employee to be reimbursed for tuition fees and books.

Kenneth C. Huhn

LETTERS



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Kenneth C. Huhn, Vice President
Industrial Relations

(TAX DEFERRED SAVINGS PLAN)

1 October 2003

Mr. Calvin T. Rapson
Vice President and Director
Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214

This will confirm our agreement that if any of the following are changed under the John Deere Savings and Investment Plan for salaried employees, then the Company will a) provide notice thereof to the Vice President and Director, UAW Agricultural/Implement Department and b) amend the John Deere Tax Deferred Savings Plan to reflect such change and send a copy of the amendment, if any, to such Vice President:

- (1) the investment fund options (under Article VI, Section 6.2) if an option is added or deleted in the salaried plan such option will be added or deleted from the Tax Deferred Savings Plan; and
- (2) *administrative rules governing the plan operation in respect to the same or similar provisions of both plans.*

Kenneth C. Huhn



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Industrial Relations

(PROVIDER NETWORK(S))

1 October 2003

Mr. Calvin T. Rapson
Vice President and Director
Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214

During negotiations for the current Collective Bargaining Agreement, the Company and Union agreed that the negotiated health benefit for Hospital, Surgical, Medical and Prescription Drugs would be provided through a quality, cost effective network(s) established by the Company for each service area. The network(s) will be established and maintained according to the following specifications:

1. It is the intent of the plan(s) to maintain high levels of quality care through the selection of the appropriate amount and type of providers.
2. Access and availability rules established by the Centers for Medicare and Medicaid Services (CMS) and the National Center for Quality Assurance (NCQA) will be used in developing and maintaining the provider network(s). A provider panel and a minimum of one (1) hospital will be included in the network(s) in each of the factory locations – Waterloo/Cedar Falls, Quad Cities, Des Moines, Dubuque, and Ottumwa. Hospitals and providers in surrounding communities will also be included in the network(s) provided they meet network(s) standards and terms.

LETTERS

Mr. Calvin T. Rapson

Page Two

The CMS rules are part of a comprehensive set of standards based on Regulations promulgated by the U.S. Government Health and Human Services Department to assure that a network is sufficient to meet the projected needs of the population to be serviced in terms of the number and type of providers as well as the accessibility of those providers to the enrollees.

3. The provider network(s) will be sufficient to provide employees and their eligible dependents with adequate access to covered services. In the event that covered services are not available within the provider network(s), provisions will be made for authorized referrals for out-of-network services at in-network benefit levels.
4. The health plan(s) will employ utilization and quality assurance review procedures such as those established by NCQA or other comparable accrediting body. John Deere Health will continue to maintain its accreditation through NCQA or other comparable body.
5. The Company will work with the Union in the communication and education of employees and retirees in regard to the new provider network(s).
6. The establishment of the new provider network(s) will be initiated as soon as practicable with a targeted implementation date of 1 July 2004.

The Company committed that, after the new network(s) has been established, the Union could raise any concerns in this area for consideration by the Joint Committee on Health Care. Moreover, the Company agreed that, if the issues cannot be resolved in that forum, then the matter may be referred by the International Union directly to the APPEAL BOARD PROCEDURE set out in APPENDIX "1", ARTICLE VII APPEAL BOARD PROCEDURE for resolution by the Board, including, if necessary, the seventh member of the Board.

Kenneth C. Huhn



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Kenneth C. Huhn, Vice President
Industrial Relations

**(INDEPENDENT REVIEW COMMITTEE FOR
PRESCRIPTION DRUGS)**

1 October 2003

**Mr. Calvin T. Rapson
Vice President and Director
Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214**

During negotiations for the current Collective Bargaining Agreement, the Company and the Union discussed their mutual interest in managing rising health care and prescription drug costs. In this regard, the parties agreed that one important component of ensuring that enrollees have access to the most medically appropriate and effective drugs that will produce the desired outcomes of therapy at the most reasonable cost is formulary management by the quality cost-effective network(s) that the Company will establish and maintain to deliver the Plan's benefits. The network(s) will exercise this formulary management through an independent formulary committee that will adhere to the following principles:

- 1. The purpose of the independent formulary committee will be to develop and maintain a Formulary to support the prescribing practices of health plan providers.**
- 2. The independent formulary committee will be composed of actively practicing plan physicians and pharmacists, as well as health plan representatives. The majority of voting**

LETTERS

Mr. Calvin T. Rapson

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- members will be independent of the health plan(s). The John Deere Health independent formulary committee will include a representative to be appointed by the Union as a voting member.
3. The independent formulary committee will review all significant new pharmaceuticals approved by the U.S. Food and Drug Administration (FDA) within six (6) months after release.
 4. *Addition or deletion of drugs from the Formulary will be determined by majority vote of the committee. Selection criteria for Formulary agents will include:*
 - (a) The drug must be deemed safe and effective for its licensed indications, as determined by the FDA.
 - (b) There must be sound clinical evidence that the drug is of equal or superior efficacy and equal or lower toxicity than other agents currently listed in its category in the Formulary.
 - (c) An evaluation of the cost effectiveness of the drug and its therapeutic value compared with other treatment alternatives.
 - (d) The Formulary will give providers an adequate range of choices to treat a given condition, both with respect to the number of agents listed in the category and a *variety of dosage forms and routes of administration.*
 5. Any network(s) physician may request consideration of a drug for addition to or deletion from the Formulary. If said network(s) physician request is in conjunction with a specific treatment believed to be medically necessary, the plan will render a coverage decision in accordance with the appeals procedures.

LETTERS

Mr. Calvin T. Rapson

Page Three

6. The independent formulary committee will meet at least quarterly to update the Formulary and consider provider requests.

The Company committed that after decisions are made to add to, delete from, or otherwise change the Formulary, the Union could raise any concerns in this area for consideration by the Joint Committee on Health Care. Moreover, the Company agreed that, if issues cannot be resolved in that forum, then the matter may be referred by the International Union directly to the APPEAL BOARD PROCEDURE set out in Appendix "1", ARTICLE VII APPEAL BOARD PROCEDURE for resolution by the Board, including, if necessary, the seventh member of the Board.

Kenneth C. Huhn

LETTERS



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Kenneth C. Huhn, Vice President
Industrial Relations

(TRANSITION FOR SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN)

1 October 2003

Mr. Calvin T. Rapson
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Detroit MI 48214

During the course of negotiations, the parties agreed to pay Supplemental Unemployment Benefits (SUB) from the general assets of the Company rather than through the Supplemental Unemployment Benefit Trust Fund (Fund). The Parties recognize and agree that workforce demographics and projected benefit payments will render Fund assets insufficient to provide SUB benefits for the foreseeable future. Moreover, paying SUB directly will eliminate the administrative expenses associated with maintaining the Fund.

In order to implement this Agreement, the parties agree that the Fund will be dissolved and that Company contributions will no longer be made to the Fund. Assets currently in the Fund will be used for the exclusive purpose of paying benefits under the SUB Plan and to defray the reasonable administrative expenses of the Plan. The Company will continue to provide the required monthly report to the Union until Fund assets have been exhausted.

The parties further agree to modify the Trust Agreement consistent with the purpose of this letter.

Kenneth C. Huhn

LETTERS

Deere & Company
One John Deere Place, Moline, IL 61265 USA
Kenneth C. Huhn, Vice President
Industrial Relations

(IMPACT ON STATE UNEMPLOYMENT ELIGIBILITY REQUIREMENTS)

1 October 2003

Mr. Calvin T. Rapson
Vice President and Director
Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214

During the course of negotiations for the 2003-2009 labor agreement, the parties discussed their concern about potential changes in state unemployment compensation laws which affect waiting week eligibility requirements.

The parties agreed that they would jointly support maintenance of the current state unemployment compensation waiting week criteria. Finally, the parties agreed that if changes to state unemployment compensation waiting week eligibility requirements occur, they would meet to discuss the issue and its impact on employees and would design ways to limit that impact.

Kenneth C. Huhn

LETTERS

Deere & Company World Headquarters
One John Deere Place, Moline, IL 61265 USA

Kenneth C. Huhn, Vice President
Industrial Relations

(TRANSITION FOR LEGAL SERVICES PLAN)

1 October 2003

Mr. Calvin T. Rapson
Vice President and Director
UAW Agricultural/Implement Department
International Union, UAW
8000 East Jefferson Avenue
Detroit MI 48214

During the course of negotiations, the parties agreed that workforce demographics and projected Legal Services Plan (Plan) premium payments would exhaust assets in the Legal Services Plan Trust (Trust).

The parties agree that the Plan will continue to provide services through 30 September 2009 and that the cost of providing services will be paid by the Company from assets currently in the Trust or paid by the Company.

The parties further agree to modify the Trust Agreement to provide for the termination of the Trust and the remittance of the assets to the Company for purposes of paying the premiums for legal services benefits as provided for in the Master Agreement.

Kenneth C. Huhn



JOHN DEERE

Deere & Company World Headquarters
One John Deere Place, Moline, IL 61265 USA

Kenneth Huhn, Vice President
Industrial Relations

(TDSP ELIGIBLE EARNINGS)

1 October 2003

Mr. James E. Hecker
International Union, UAW
1530 - 46th Avenue
Suite E
Moline IL 61265

During the course of 2003 Negotiations you raised the issue of defining the types of pay that an employee could defer to the Tax Deferred Savings Plan. Types of pay that are eligible to be deferred include, but are not limited to:

Straight Time	Overtime
Bereavement	Profit Sharing
CIPP Reserve	Report/Call In
Grievance	Retroactive
Holiday	Shift Differential
ISB Allowance	Union Business
Jury	Vacation
Military	Base Adjustment Allowance
Sick Pay	Earned Bonus Hour Payments
Lump Sum Payments	

A complete list of pay types eligible to be deferred is attached.

Kenneth Huhn

2003

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APRIL S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	MAY S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	JUNE S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
JULY S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	AUGUST S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	SEPTEMBER S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
OCTOBER S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	NOVEMBER S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	DECEMBER S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

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JULY S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	AUGUST S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	SEPTEMBER S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
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2006

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15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
29	30	31					26	27	28					26	27	28	29	30	31	
APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
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16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
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30																				
JULY							AUGUST							SEPTEMBER						
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2007

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2008

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